

NEWS RELEASE

**DANAVATION TECHNOLOGIES ANNOUNCES CLOSING OF FIRST TRANCHE OF FINANCING**

Toronto, Ontario, April 14, 2023 – **Danavation Technologies Corp. (CSE: DVN)** ("**Danavation**" or the "**Company**") is pleased to announce that it has closed the first tranche of a non-brokered private placement of units (the "**Units**") through the issuance of 5,000,000 Units at a price of \$0.20 per Unit for aggregate gross proceeds of \$1,000,000 (the "**Private Placement**").

Each Unit consists of one (1) common share in the capital of the Company (each a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share at a price of \$0.30 per Common Share for a period of twenty-four (24) months from the closing date of the Private Placement.

Gross proceeds of the Private Placement will be used for working capital and general corporate purposes.

Closing of the Private Placement is subject to receipt of all necessary corporate and regulatory approvals, including the approval of the Canadian Securities Exchange. All securities issued in connection with the first tranche of the Private Placement will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation. There were no finder fees or commissions paid in connection with the first tranche of the Private Placement.

The Company may close additional tranches of the Private Placement subject to all required regulatory approvals.

In connection with the closing of the first tranche of the Private Placement, Mr. Terence Sean Harvey entered into an investor rights agreement with the Company, granting Mr. Harvey the right to appoint one nominee to the board of directors of the Company and the right to participate in future financing transactions of the Company to maintain his pro rata interest following completion of the Private Placement.

The first tranche of the Private Placement constituted a "related party transaction" as defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**"), as insiders of the Company acquired an aggregate of 5,000,000 Units. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed on a specified market and the fair market value of the participation by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Private Placement, which the Company deems reasonable in the circumstances in order to complete the Private Placement in an expeditious manner.

**Early Warning Report**

Pursuant to National Instrument 62-103 – The Early Warning System and Related Take-Over Bids and Insider Reporting Issues, the company further announces the filing of an early warning report for Mr. Terence Sean Harvey. Mr. Harvey acquired an aggregate of 5,000,000 Units in the context of the Private Placement (the "**Acquisition**"). Prior to the completion of the Acquisition, Mr. Harvey beneficially owned and controlled, directly or indirectly, an

aggregate of 8,314,500 Common Shares, representing approximately 7.28% of the Company's issued and outstanding Common Shares on an undiluted basis and he owned and controlled in addition to the Common Shares, directly or indirectly, 1,500,000 warrants and \$2,000,000 of 8% unsecured convertible debentures of the Company (the "**Debentures**"), representing approximately 11.87% of the Company's issued and outstanding Common Shares on a partially diluted basis.

Following the completion of the Acquisition, Mr. Harvey beneficially owns and controls, an aggregate of 13,314,500 Common Shares, 6,500,000 warrants and the Debentures, representing approximately 11.17% of the Company's issued and outstanding Common Shares on an undiluted basis and approximately 18.64% on a partially diluted basis.

The Acquisition was completed for investment purposes. Mr. Harvey may, depending on market and other conditions, or as future circumstances may dictate, from time to time, on an individual or joint basis, increase or dispose of some or all of the existing or additional securities he holds or will hold, or may continue to hold. In the future, Mr. Harvey, will evaluate his investment in the Company from time to time and may, based on such evaluation and the market conditions and other circumstances, increase or decrease his security holdings through market transactions, private agreements, or otherwise.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

## About Danavation

Danavation Technologies Corp. is a North American-founded and headquartered technology company providing Digital Smart Labels™ and a software Platform-as-a-Service (PaaS) solution that enables companies across various sectors to automate labelling, price, product, and promotions in real-time. Danavation's Digital Smart Labels™ enhance data accuracy and improve performance by removing high labour costs and low productivity typically associated with traditional labour-intensive workflows.

Our goal is to create a sustainable and profitable business for shareholders while advancing sound environmental, social and governance practices, including by significantly reducing paper usage. Danavation has introduced its solution to retailers across North America, including big box and boutique grocers, while also targeting new markets including healthcare providers, manufacturing, and logistics companies.

Learn more about the background of Danavation and our vision for the future on our [website](#). As well, follow us on [LinkedIn](#), [Instagram](#), [Twitter](#) and [YouTube](#) for more updates on how we are transforming the retail landscape.

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**Forward-Looking Information**

*This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, this material change report contains forward-looking statements and information relating to, the closing of the Private Placement and other matters. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.*

*Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.*

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