

SILVER PHOENIX RESOURCES INC.

1600 – 609 Granville Street
Vancouver, BC V7Y 1C3
Telephone: (778) 331-8505

SILVER PHOENIX ANNOUNCES REVERSE TAKEOVER BY ATLAS BIOTECHNOLOGIES, CAMBROSIA AND AGMEDICA BIOSCIENCE

April 12, 2022 – Vancouver, BC, Canada. **Silver Phoenix Resources Inc. (CSE: SP) (“SPR” or the “Company”)** is pleased to announce that it has entered into a binding memorandum of understanding dated as of April 8, 2022 (the “**MOU**”) with Atlas Biotechnologies Inc. (“**Atlas**”), AgMedica Bioscience Inc. (“**AgMedica**”) and Cambrosia Ltd. (“**Cambrosia**”) (collectively, the “**Target**”). The MOU outlines the proposed terms and conditions pursuant to which SPR and the Target will effect a business combination that will result in a reverse takeover of SPR by the securityholders of the Target (the “**Proposed Transaction**”). The MOU was negotiated at arm’s length.

The entity resulting from the Proposed Transaction will be a full vertically integrated, global cannabis company that takes advantage of scale, existing brands and strong distribution. The entity will have operations in Canada and internationally, and distribution across many of the jurisdictions that have a legal framework for medical cannabis.

Terms of the MOU

Subject to satisfactory tax, corporate and securities law advice for both SPR and the Target, the Proposed Transaction will be structured as an amalgamation, arrangement, takeover bid, share purchase or other similar form of transaction or a series of transactions that have a similar effect, and pursuant to which:

- (i) SPR will acquire all voting securities of the Target;
- (ii) the existing shareholders of the Company as of immediately prior to the completion of the Proposed Transaction will hold common shares of the Company with a value of \$3 million (including cash on hand and subject to indebtedness of not more than \$250,000); and
- (iii) the shareholders of Target will be issued common shares of the Company (the “**Consideration Shares**”), with an aggregate deemed value of \$189 million.

Certain of the Consideration Shares will be subject to escrow and resale restrictions pursuant to the policies of the Canadian Securities Exchange (the “**Exchange**”).

The MOU also provides that effective on closing of the Proposed Transaction the Company will, among other things: (i) change its name to a name requested by the Target and acceptable to applicable regulatory authorities; (ii) increase the size of its board of directors to between five and nine, as directed by the Target; and (iii) replace all directors and officers of the Company on closing of the Proposed Transaction with nominees of the Target.

Completion of the Proposed Transaction is subject to a number of conditions, including receipt of all necessary shareholder and regulatory approvals, execution of related transaction documents, approval of the Exchange, disposition of the Company’s mining assets, there being no adverse material change in the affairs of the parties and completion of satisfactory due diligence by each of the parties.

The MOU contains representations and warranties of the parties as to the due authorization and enforceability of the MOU, and in respect of the Company, its share and loan capitalization, corporate status and absence of outstanding litigation.

Pursuant to the MOU, each of the Target and the Company agreed to (i) use commercially reasonable efforts to negotiate the terms of a definitive agreement reflecting the terms of the MOU and other representations and warranties, covenants and conditions that are customary for a transaction of this nature for execution on or prior to April 30, 2022; (ii) conduct their respective businesses in the ordinary course; and (iii) not enter into negotiations or solicit any expressions of interest for any transaction competitive to the Proposed Transaction.

The MOU shall terminate upon any party notifying the others that it is not satisfied with the results of its due diligence investigation by April 30, 2022.

It is anticipated that an annual general and special shareholder meeting of the Company to approve, among other matters, all required matters in connection with the Proposed Transaction will take place following entering into of the Definitive Agreement, and closing of the Proposed Transaction will take place in the second or third quarter of 2022 and in any event prior to October 31, 2022.

Further details of the Proposed Transaction will be included in subsequent news releases and disclosure documents (which will include business and financial information in respect of the Target) to be filed by the Company in connection with the Proposed Transaction.

Kronos Capital Partners acted as financial advisor to AgMedica with respect to the Proposed Transaction.

Board and Management

On completion of the Proposed Transaction, the Company's Board of Directors and management team will be reconstituted to include directors and management comprised of individuals from the current Target team, including the individuals listed below. Further details of the full management team will be provided in subsequent press releases.

Sheldon Croome, Chief Executive Officer

Mr. Croome has been the Chief Executive Officer of Atlas Biotechnologies Inc. since 2015. Prior to joining Atlas, Mr. Croome was executive director of Premium Imports Inc., overseeing and negotiating international and domestic branded alcohol product distribution. Mr. Croome has over twelve years of experience in consumer packaged goods industries, primarily in regulated sectors. Mr. Croome is skilled at running large teams, coordinating all business functions, extensive contract negotiation and development experience, and capital raise activities. Mr. Croome holds a Bachelor of Commerce degree from the University of Alberta.

Jeffrey R. Gossain, President

Mr. Gossain is the President, COO and a director of Atlas Biotechnologies Inc. Since joining Atlas in 2015, Jeffrey has been involved in operations, finance and corporate services and has been instrumental in establishing valuable partnerships for distribution, technology, product formulation and revenue growth. Before joining Atlas, Mr. Gossain spent ten years in construction asset management, responsible for a fleet valued at more than \$300M. Mr. Gossain is a professional engineer (P. Eng.) in Alberta, Canada, and a member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).

Kevin Mills, Chief Financial Officer

Mr. Mills has been the Vice President Finance and Administration of AgMedica Bioscience Inc. since 2018, and has more than 20 years of corporate finance experience. Prior to joining AgMedica, Mr. Mills was the Chief Financial Officer and Corporate Secretary of Posera Ltd., a TSX-listed technology company until it was privatized in January 2020, and prior to that Mr. Mills was an audit manager at PricewaterhouseCoopers LLP. Mr. Mills holds a Bachelor of Commerce degree from Queen's University and is a Chartered Professional Accountant.

Description of the Target

Atlas Biotechnologies Inc.

Atlas Biotechnologies Inc. is based in Edmonton, Canada, and its wholly owned subsidiary, Atlas Growers Ltd., is federally licensed in Canada for cultivation and processing of cannabis products, with a focus on health and wellness, and adult use products. Atlas currently produces flower, extracts, topical and edible formulations with medical distribution across Canada and adult-use distribution in seven provinces and territories, accessing over 70% of the Canadian population. Atlas operates under two core brand names, being, Natural History, which is focused on producing cannabis products for adult-use markets, as well as Atlas Thrive, which produces smokeless health and wellness focused products. Atlas oversees multiple cultivation and processing facilities across Canada, providing a high level of consistency and quality in all products created under its oversight.

AgMedica Bioscience Inc.

AgMedica Bioscience Inc. is a vertically integrated licensed producer of cannabis based in Chatham, Canada, that is licensed to cultivate, produce, distribute and sell dried cannabis flower, pre-rolled cannabis, cannabis soft gel capsules, cannabis oil, extracts, edibles and topicals. AgMedica currently supplies the Canadian and Australian medical cannabis markets, and has forged strategic partnerships with various organizations around the globe to support its vision for the future growth of the cannabis industry.

Cambrosia Ltd.

Cambrosia Ltd. is an international holding company, active, through its subsidiaries, across key stages of the cannabis value chain: development of products derived from cannabis extracts, and importation, distribution and retailing of medical cannabis.

The common shares of the Company will remain halted until all necessary filings have been accepted by applicable regulatory authorities.

For more information, please contact Scott Ackerman, at (778) 331-8505 or email: sackerman@emprisecapital.com.

On behalf of the Board,
Silver Phoenix Resources Inc.
Scott Ackerman, Director

All information contained in this news release with respect to the Target was supplied by the Target for inclusion herein and the Company has relied on the accuracy of such information without independent verification.

As noted above, completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance of the Proposed Transaction. The Proposed Transaction cannot close until the required shareholder approval is obtained in respect of the applicable matters. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or listing statement of the Company to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of SPR should be considered highly speculative.

The Exchange has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release. Neither the Exchange nor the Market Regulator (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Information:

This press release may include “forward-looking information” (as that term is defined by Canadian securities legislation), concerning the Company’s business. Forward-looking information in this news release includes, but is not limited to, statements regarding the Proposed Transaction, the description of the Target and information regarding the management, business and operations of the resulting issuer. Forward-looking information is based on certain key expectations and assumptions made by the Company’s management, including future plans for the exploration and development of its mineral properties. Although the Company believes that such expectations and assumptions are reasonable, investors should not rely unduly on such forward-looking information as the Company can give no assurance they will prove to be correct. Forward-looking statements in this press release are made as of the date of this press release. The Company disclaims any intent or obligation to publicly update any forward-looking information (whether as a result of new information, future events or results, or otherwise) other than as required by applicable securities laws.