

**SILVER PHOENIX RESOURCES INC.**

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**SILVER PHOENIX ANNOUNCES THE SIGNING OF A DEFINITIVE AGREEMENT**

July 15, 2022 – Vancouver, BC, Canada. **Silver Phoenix Resources Inc. (CSE: SP) (“SPR” or the “Company”)** is pleased to announce that, further to its news release dated April 12, 2022, it has entered into an amalgamation and share exchange agreement dated as of July 14, 2022 (the **“Definitive Agreement”**) with Atlas Biotechnologies Inc. (**“Atlas”**), AgMedica Bioscience Inc. (**“AgMedica”**) and Cambrosia Ltd. (**“Cambrosia”** and together with Atlas and AgMedica, the **“Targets”**) and the ordinary shareholders of Cambrosia (collectively, the **“Cambrosia Shareholders”**), to complete a business combination that will result in a reverse takeover of SPR by the shareholders of the Targets (the **“Transaction”**).

Upon completion of the Transaction, the combined entity (the **“Resulting Issuer”**) will continue to carry on the businesses presently carried on by the Targets and will change its name to “Atlas Global Health Inc.” or such other name as the parties to the Definitive Agreement may agree.

The proposed Transaction, if completed, will constitute a Fundamental Change as that term is defined under the policies of the Canadian Securities Exchange (the **“Exchange”** or the **“CSE”**). As such, the closing of the Transaction is subject to the receipt of all necessary approvals, including without limitation, the receipt of all requisite shareholder approvals, and receipt of regulatory approval for the Transaction and listing of the issued and outstanding common shares of the Resulting Issuer (the **“Resulting Issuer Shares”**) on the Exchange.

The Definitive Agreement was negotiated at arm’s length and is effective July 14, 2022.

**Description of the Proposed Transaction**

*Acquisition of the Targets*

Pursuant to the Definitive Agreement, the parties intend to complete (i) a three-cornered amalgamation involving Silver Phoenix, Atlas and 432998 Alberta Ltd. (**“Subco 1”**), a wholly-owned subsidiary of the Company; (ii) a three-cornered amalgamation involving Silver Phoenix, AgMedica and 4060407 Canada Inc. (**“Subco 2”**), a wholly-owned subsidiary of the Company; and (iii) a share exchange between the Company and the Cambrosia Shareholders. The acquisition of the issued and outstanding shares of Cambrosia, in turn, is conditional upon the acquisition by Cambrosia of all or a majority of the shares of five international distribution and retail businesses from the holders thereof (the **“Cambrosia Acquisition Vendors”**) for a combination of cash and Resulting Issuer Shares (the **“Resulting Issuer Cambrosia Acquisition Shares”**), all as more particularly described in the Definitive Agreement which will be filed electronically on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Company’s issuer profile.

Upon completion of the proposed Transaction each of Cambrosia and the corporation resulting from the amalgamation of Atlas and Subco 1 will be wholly-owned subsidiaries of the Resulting Issuer and the Resulting Issuer will own all of the voting and participating shares of the corporation resulting from the amalgamation of AgMedica and Subco 2 (**“AgMedica Amalco”**).

It is intended that: (i) all of the outstanding Atlas shares shall be exchanged, on a pro rata basis, for an aggregate of 38,551,500 Resulting Issuer Shares; (ii) all of the outstanding AgMedica class A preferred shares and common shares shall be exchanged, on a pro rata basis (after giving effect to a liquidation preference attached to the class A preferred shares of AgMedica), for an aggregate of 38,551,500 Resulting Issuer Shares and each of the outstanding class B preferred shares of AgMedica shall be exchanged for a class B preferred share of AgMedica Amalco having the same terms and conditions; and (iii) all of the outstanding Cambrosia shares shall be exchanged, on a pro rata basis, for an aggregate of 77,103,000 post-Consolidation Resulting Issuer Shares (less the Resulting Issuer Cambrosia Acquisition Shares and less the Resulting Issuer Shares issuable on exercise of the 9,400,000 legacy options held by an insider of Cambrosia, as adjusted for the exchange ratio of Cambrosia shares for Resulting Issuer Shares), all on a post-Consolidation (as defined below) basis.

Upon completion of the Transaction the former Atlas shareholders will hold approximately 24.5% of the issued and outstanding Resulting Issuer Shares, the former AgMedica shareholders will hold approximately 24.5% of the issued and outstanding Resulting Issuer Shares, the former Cambrosia shareholders and Cambrosia Acquisition Vendors will hold, in aggregate, approximately 49% of the issued and outstanding Resulting Issuer Shares, and the existing shareholders of the Company will hold the remaining approximate 2% of the issued and outstanding Resulting Issuer Shares.

#### *Consolidation*

As of the date hereof, the Company has 8,411,564 common shares issued and outstanding. Prior to the completion of the Transaction, SPR will effect a consolidation of its shares such that the number of issued and outstanding common shares of SPR (the “**Consolidation**”) immediately prior to the closing of the Transaction is no more than 3,500,000 outstanding common shares in the Company.

#### *Convertible Securities*

Additionally, and prior to the completion of the Transaction, all issued and outstanding warrants of the Company which have not been exercised shall be cancelled. All issued and outstanding options of the Targets (other than the 9,400,000 legacy options held by an insider of Cambrosia, as adjusted for the exchange ratio of Cambrosia shares for Resulting Issuer Shares) shall become fully vested and exercisable immediately prior to the effective time of the Transaction and each issued and outstanding option of the Targets, respectively, that has not been exercised prior to such time shall terminate and expire.

#### *Escrow, Lock-Ups and Hold Periods*

The Resulting Issuer Shares to be issued pursuant to the Transaction will be issued pursuant to exemptions from the prospectus requirements of applicable securities legislation, and certain of the Resulting Issuer Shares issuable pursuant to the Transaction will be subject to a statutory hold period of four (4) months and one day from the date of issue.

Pursuant to applicable policies of the Exchange Resulting Issuer Shares held by directors, officers and 10% shareholders of the Resulting Issuer and its affiliates will be subject to escrow and released as to 10% at listing and thereafter as to 15% every six months thereafter.

In addition, the parties have agreed that all other former shareholders of the Targets shall be subject to a lock-up which in most instances shall be for a 36-month period with approximately 21% to be released at listing, 15% at each of the 6-, 12-, 18-, 24- and 30-month anniversary thereof and the remaining shares released at the 36-month anniversary of closing.

### *Break Fee*

The Definitive Agreement provides that in the event of a termination of the Definitive Agreement resulting from a breach by any party of the non-solicitation covenant therein and the execution by that same party of an agreement for consummation of an alternative transaction or the announcement by that party of an intention to enter into an alternative transaction, the breaching party shall pay to each other party the sum of \$250,000 and each of the parties shall reimburse one another so that legal and regulatory expenses of the transaction (other than in respect of the preparation of this agreement) are shared equally among them.

### *Approvals*

The Definitive Agreement also contemplates other material conditions precedent to the closing of the Transaction including: (A) the receipt of all regulatory approvals relating to the Transaction, including, the approval of the Exchange; (B) receipt of applicable shareholder approval, including (i) Atlas shareholder approval approving the proposed Transaction in accordance with the provisions of the *Business Corporations Act* (Alberta); (ii) AgMedica shareholder approval approving the proposed Transaction in accordance with the provisions of the *Canada Business Corporations Act*; (iii) SPR shareholder approval at the Company's Annual General and Special Meeting scheduled for 10 a.m. (PST) on July 28, 2022, to set the number of directors to hold office for the ensuing year at four (4) and, subject to and conditional on closing of the Transaction, to set the number of directors of the Company as it exists immediately following completion of the Transaction at seven (7) for the ensuing year, and approving the disposition of the Big Showing Property (which is substantially all of the assets of the Company), all as more particularly described in the Company's management information circular dated June 23, 2022, which is available on SEDAR under the Company's profile; and (C) that each of the parties shall have executed, delivered and performed their respective covenants as outlined in the Definitive Agreement, and all representations and warranties of each party contained in the Definitive Agreement shall be true and correct at the Completion Deadline (as defined in the Definitive Agreement).

There can be no assurance that the Transaction will be completed as proposed, or at all.

The completion of the sale of the Big Showing Property is conditional upon the closing of the Transaction. In the event that the Transaction does not close, the Company will not proceed with the sale of the Big Showing Property.

### **Board and Management of the Resulting Issuer**

On completion of the Transaction, the Resulting Issuer's board of directors and management team will be reconstituted such that the board of directors of the Company ("**Original Slate**") will increase from four (4) to seven (7) and shall comprise the following individuals:

Tamir Gedo (Chair), a nominee of Cambrosia  
David Pappo, a nominee of Cambrosia  
Iftach Seri, a nominee of Cambrosia  
Jonathan Ben-Cnaan (Vice Chair), a nominee of Cambrosia  
Elan MacDonald, a nominee of Atlas  
Sheldom Croome, a nominee of Atlas  
Trevor Henry, a nominee of AgMedica

It is intended that Itamar Grotto (a nominee of Cambrosia), Dylan Kennett (a nominee of Atlas) and Donald Clow (a nominee of AgMedica) will be appointed directors of the Resulting Issuer at a later date.

Management of the Resulting Issuer will comprise the following individuals:

Trevor Henry - President  
Sheldon Croome - Chief Executive Officer  
Kevin Mills - Chief Financial Officer  
Jeffrey R. Gossain - Chief Operating Officer  
Jonathan Ben-Cnaan – SVP, M&A

Detailed information as to the biographical information of the Board of Directors and management team will be disclosed in the listing statement of the Company to be prepared in connection with the Transaction.

### **Description of the Targets**

#### *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. A

#### *AgMedica Bioscience Inc.*

AgMedica Bioscience Inc. is a vertically integrated licensed producer of cannabis based in Chatham, Canada, that is licensed to cultivate, process, distribute and sell dried and fresh cannabis flower, cannabis extracts, edibles and topicals, and cannabis plants and seeds. AgMedica currently supplies the adult-use market in Canada through its Vertical and Five Founders brands. AgMedica also supplies the medical cannabis markets in Canada, Australia, Israel, Denmark and U.K., 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 and contractors, 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](mailto: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 Targets was supplied by the Targets for inclusion herein and the Company has relied on the accuracy of such information without independent verification.

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

Investors are cautioned that, except as disclosed in the management information circular prepared, or listing statement of the Company to be prepared in connection with the Transaction, any information released or received with respect to the 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 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 Transaction and closing thereof, the exercise and cancellation of the Company’s options, the vesting and exercise of all issued and outstanding options of the Targets, the nomination and appointment of proposed directors and officers of the Resulting Issuer, shareholder, director and regulatory approvals, the descriptions of the Targets and information regarding the business and operations of the Resulting Issuer. Forward-looking information is often, but not always, identified by the use of words such as “anticipate”, “plan”, “estimate”, “may”, “will”, “intend”, “should”, and similar expressions.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information which include, but are not limited to: the failure of the parties to obtain the necessary regulatory approvals relating to the Transaction, including, the approval of the Exchange and applicable shareholder approval, or to otherwise satisfy the conditions to the completion of the proposed Transaction in a timely manner or at all; significant transaction costs or unknown liabilities; the failure to realize the expected benefits of the proposed Transaction; and general economic conditions. Such forward-looking information is also based on certain key expectations and assumptions made by the Company’s management, including: assumptions as to the ability of the parties to receive, in a timely manner and on satisfactory terms, approvals relating to the Transaction, including, the approval of the Exchange and applicable shareholder approval; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the proposed Transaction; and other expectations and assumptions concerning the proposed Transaction. The anticipated dates indicated may change for a number of reasons, including the inability to receive, in a timely manner, the necessary shareholder approvals or the necessity to extend the time limits for satisfying the other conditions to the completion of the proposed Transaction. Accordingly, investors and others are cautioned that undue reliance should not be placed on any forward-looking statements. 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.