

# CHEMISTREE TO SEEK DEBENTUREHOLDER APPROVAL FOR DEBT RESTRUCTURING

## -Meeting Scheduled, Two Directors Resign

- The Board unanimously recommends Debentureholders vote **FOR** the Restructuring Transaction and for the Trustee Authorization
- Your vote is important regardless of how many Debentures you own, and we urge you to vote even if you are not able to attend the Debentureholder Meeting

VANCOUVER, BC, March 14, 2024 /CNW/ - Chemistree Technology Inc. (CSE: CHM) (US OTC: CHMJF) (the "**Company**" or "**Chemistree**"), announces that it has filed a Notice of Meeting on SEDAR+ calling an extraordinary meeting of the holders of the 10% senior unsecured convertible debentures of the Company due March 29, 2024 (the "**Debentures**") to be held on April 5, 2024, with a record date of March 6, 2024 (the "**Debentureholder Meeting**"). In conjunction with the planned Restructuring Transaction (as defined below), the Company has accepted the resignations of Nicolas Zitelli and Gina Dickson from their roles as directors of the Company.

## THE DEBENTUREHOLDER MEETING

At the Debentureholder Meeting, the Company will put forward the following extraordinary resolutions to the holders of the Debentures (the "**Debentureholders**"), which are governed by the trust indenture between the Company and Odyssey Trust Company dated March 29, 2019, as supplemented on January 17, 2022 (the "**Indenture**"):

(i) To consider and, if deemed appropriate, approve an extraordinary resolution, the full text of which is set forth in Appendix "A" to the management information circular dated March 12, 2024 (the "**Circular**"), pursuant to which all of the principal of the outstanding Debentures will be settled and all claims of the Debentureholders thereunder will be extinguished in exchange for common shares ("**Common Shares**") in the capital of the Company (the "**Restructuring Transaction**"). Pursuant to the Restructuring Transaction, the Company intends to issue an aggregate of 683,700,000 Common Shares at a price of \$0.01 per Common Share to Debentureholders. Following the closing of the Restructuring Transaction, the Debentureholders will hold Common Shares representing approximately 90.3% of the outstanding Common Shares, representing 100,000 Common Shares issued for every \$1,000 in principal amount of Debentures held.

(ii) To consider and, if deemed appropriate, approve an extraordinary resolution, the full text of which is set forth in Appendix "B" to the Circular, pursuant to which Odyssey Trust Company (the "**Trustee**"), as trustee under the Indenture, shall have the right and be authorized to accept or consent on behalf of the Debentureholders to any plan of reorganization or restructuring transaction that may be made in any bankruptcy, liquidation, restructuring, or other insolvency proceeding relative to the Company, by taking action of any character in such proceeding without any further extraordinary resolution being required prior to such acceptance or consent being granted (the "**Trustee Authorization**").

## BACKGROUND TO THE RESOLUTIONS

The principal amount of the Debentures, being \$6,837,000, will mature and become due on March 29, 2024. The board of directors of Chemistree (the "**Board**") has concluded that the Company will not have sufficient funds to settle the principal amount of the Debentures with cash on maturity and that the Company will not be able to successfully raise the requisite amount of cash necessary to pay the principal amount of Debentures with its current capital structure.

The Company has identified the Restructuring Transaction as an avenue to address these issues and to enhance securityholder value in the long run. The Board believes that the Restructuring Transaction will:

- (i) eliminate the Company's convertible debt and debt service obligations, thereby providing the Company with added liquidity;
- (ii) allow management additional flexibility to focus on the Company's operations, as opposed to focusing on debt-servicing obligations and repayment;
- (iii) increase the strength of the Company's balance sheet;
- (iv) provide the Debentureholders with an aggregate ownership stake in the Company of approximately 90%;
- (v) allow Debentureholders to participate more effectively and efficiently in the equity upside of the Company; and
- (vi) simplify the Company's capital structure.

The Company believes in its growth potential, and it believes the Restructuring Transaction is in the best interests of Debentureholders.

Should the Restructuring Transaction not be approved by the Debentureholders or the Company determines not to proceed with the Restructuring Transaction for any reason, the Company has identified the Trustee Authorization as an avenue to simplify

Debentureholder participation in any plan of reorganization or restructuring transaction that may be made in any bankruptcy, liquidation, restructuring, or other insolvency proceeding relative to the Company. By approving the Trustee Authorization, Debentureholders authorize the Trustee to act on their behalf in such proceedings, meaning that the Trustee can make decisions without the need for a further extraordinary resolution from the Debentureholders. If the Trustee Authorization is not approved, the Debentureholders may be responsible for their own costs related to plan of reorganization or restructuring transaction that may be made in any bankruptcy, liquidation, restructuring, or other insolvency proceeding relative to the Company, which may increase the timeline for recovery of the principal amounts of the Debentures.

## KEY STEPS TO THE RESOLUTIONS

Chemistree will hold the Debentureholder Meeting to consider the Restructuring Transaction and the Trustee Authorization on April 5, 2024. Pursuant to the Indenture, an extraordinary resolution approving either of the Restructuring Transaction and the Trustee Authorization is required to be passed at a meeting of Debentureholders in which the holders of not less than 25% of the principal amount of Debentures outstanding on the date of the Debentureholder Meeting are present in person or by proxy. The resolution must be passed by holders of at least 66⅔% of the principal amount of the Debentures present in person or by proxy at the Debentureholder Meeting, or any adjournment thereof. Alternatively, each resolution can be passed, in writing, by the holders of at least 66⅔% of the outstanding principal amount of the Debentures. Each Debentureholder present in person or represented by proxy at the Debentureholder Meeting shall be entitled to one vote in respect of each \$1,000 principal amount of Debentures held by such Debentureholder.

## About Chemistree Technology Inc.

Chemistree Technology Inc. is a Canadian investment company whose strategy is to focus on opportunistic investments across a broad range of industries, and is seeking to invest in early stage, promising companies where it may be the lead investor and can additionally provide investees with advisory services, mentoring and access to the Company's management expertise. Existing holdings are in a consumer-targeted biotechnology venture, a renewable energy developer in the wind and solar sector ("**REVV**"), a plant-based wellness company ("**FUEL**") and an Ontario limited partnership ("**ONLP**") to take advantage of opportunistic long/short equity opportunities in both potential upside and downside expected price moves. Additional information about the Company, including the documents referenced above, is available at the Company's website [www.chemistreetechnology.com](http://www.chemistreetechnology.com) and on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

*"Karl Kottmeier"*

President

*Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this news release.*

Information set forth in this news release includes forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", "budget", "scheduled" and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to: the timing and resolutions put forward at the Debentureholder Meeting; receipt of Debentureholder approval for the Restructuring Transaction and the Trustee Authorization; the Company's inability to settle the principal amount of Debentures on the maturity date; the Company's ability to successfully raise an amount to settle the principal amount of Debentures on the maturity date; the Trustee agreeing to act on behalf of the Debentureholders in connection with any insolvency proceeding; the expected growth potential of the Company; and the expected benefits of the Restructuring Transaction, including to enhance securityholder value; and the expected benefits of the Trustee Authorization.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the risks identified in the Company's reports and filings with the applicable Canadian securities regulators, including risks related to the Company's ability to secure Debentureholder approval at the Debentureholder Meeting and the Company's inability to pay the principal amount of Debentures when they become due. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.

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