



# INTERNATIONAL CORONA CAPITAL CORP

## INTERNATIONAL CORONA CAPITAL CORP. PROVIDES SUPPLEMENTAL INFORMATION ON CHANGE OF BUSINESS TRANSACTION, CONCURRENT FINANCING AND LISTING TRANSFER

**Vancouver, British Columbia – May 8, 2019** – International Corona Capital Corp. (TSX.V:IC) (the “**Company**”) provides the following information relating to the previously announced change of business transaction and private placement to supplement the disclosure in the Company’s management information circular dated April 11, 2019 (the “**Circular**”) in connection with the Company’s annual general and special meeting scheduled for May 15, 2019 (the “**Meeting**”). For additional information, please refer to the Circular, the news releases of the Company dated January 4, 2019, February 5, 2019 and April 3, 2019, and the copies of the Share Purchase Agreement, Bluespring DPA and Hueniken DPA (as such terms are defined in the Circular), all of which are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### Background to Proposed Change of Business Transaction

The Board has been considering a change of business for some time due to the slowdown in the junior mineral exploration sector. Given the expertise and skill sets of the Company’s directors, the Board believes that the optimal allocation of the Company’s working capital would be within the framework of an investment company.

Following negotiations and investigations into several potential investments throughout 2018, including negotiations with arm’s length parties with respect to the acquisition by the Company of a cannabis business, a portfolio of residential mortgage assets, and a subscription research business owned by an arm’s length party, and following several discussions with the TSX Venture Exchange (the “**TSXV**”) with respect to the various proposed investments and related listing requirements, the disinterested members of the board of directors of the Company (the “**Independent Directors**”) determined that the most suitable two initial investments for the Company would be the acquisition (the “**Murenbeeld Acquisition**”) of the outstanding share of Murenbeeld & Co, Inc. (“**Murenbeeld**”) and the acquisition (the “**Debenture Acquisition**”) of certain outstanding debentures of Stone Investment Group Limited in the aggregate principal amount of \$2,097,000 (collectively, the “**Debentures**”), which transactions would collectively comprise the Company’s proposed change of business to become an investment issuer (the “**Proposed COB**”), all as more particularly described in the Circular. The Independent Directors believed that the Debenture Acquisition and Murenbeeld Acquisition would be suitable initial investments for the Company as an investment company as they both would provide cash flow, and in the case of the Debentures without much real input beyond the acquisition price. The cash flow would allow the Company access to working capital to evaluate and pursue additional future investments. In addition, as the majority of the consideration payable under the Murenbeeld Acquisition and the Debenture Acquisition is payable by the issuance of post-consolidation common shares of the Company (each, a “**Share**”), the Company would be able to reboot without incurring a significant cash outlay which would be difficult as the Company has limited cash resources. The alternative to not pursuing the Proposed COB would lead to the eventual depletion of the Company’s limited resources, and potentially to bankruptcy and delisting.

### Related Party Transactions

The Murenbeeld Acquisition and part of the Debenture Acquisition are related party transactions as Brian Bosse, the CEO and a director of the Company, is also the sole director, officer and, indirectly, shareholder of Murenbeeld, and since Brian Bosse indirectly owns \$1,347,000 of the Debentures (the “**Bluespring Debentures**”). Accordingly, Brian Bosse provided notice and disclosure to the board of directors of the Company (the “**Board**”) with respect to his interest in the Proposed COB, and abstained from voting on the Board approval of the Proposed COB and related transactions. Mr. Bosse will not be voting on the shareholder approval of the Proposed COB either. The negotiations with respect to the Murenbeeld Acquisition and the acquisition of the Bluespring Debentures were led by Douglas MacQuarrie, an independent member of the Board, on behalf of the Company and by Brian Bosse on behalf of Bluespring Investment Strategies Inc. (“**Bluespring**”), the vendor of the Murenbeeld share and Bluespring Debentures. The negotiations with respect to the Debentures held by the arm’s length party were negotiated on behalf of the Company by Brian Bosse.

In determining that the Proposed COB was in the best interests of the Company and that the consideration payable by the Company pursuant to the Murenbeeld Acquisition and the Debenture Acquisition are fair and reasonable, the Independent Directors considered a number of factors. The Company did not establish a special committee in connection with the Proposed COB or retain independent legal or financial given the size of the Company and its Board, and the limited financial resources available to the Company and the minimal benefits to be derived therefrom. There were no prior valuations conducted of Murenbeeld or the Debentures, and no bona fide offers were received with respect to the Company in the past 24 months prior to the shareholders meeting scheduled for May 15, 2019. However, the Proposed COB was reviewed and approved by the Independent Directors with Mr. Bosse abstaining.

### Murenbeeld Acquisition

#### *Assessment of Consideration*

The Independent Directors considered several factors in determining that the proposed \$400,000 consideration for the Murenbeeld Acquisition was fair and reasonable. These factors included the following: (i) the consideration was reasonable given that Nasdaq listed Value Line Inc. (NASDAQ:VALU) is a subscription based investment research business similar to Murenbeeld, for which the enterprise value was calculated at 6 times annual sales, whereas the proposed consideration for the Murenbeeld acquisition was only 1.29x annual sales; (ii) the consideration being payable in Shares as opposed to cash; (iii) a strong growth profile for Murenbeeld relative to other comparable businesses based on younger average client age cohort, better cost of goods sold by virtue of being entirely digital, specialization within a cyclical industry which began an upturn two years ago after several down years, brand value for Murenbeeld based upon 40 years of serving the gold industry, and an experienced and energetic CEO who is also an experienced capital allocator; (iv) the consideration was less than five times average cash flow on the basis that certain management fees that have been historically paid to Brian Bosse and Chantelle Schieven, another service provider to Murenbeeld, in cash in the estimated aggregate average annual amount of \$100,000 would be forgone post-closing and paid under the terms of the Services Agreements (as defined in the Circular) to be entered into post-closing between the Company and these service providers and under which the consideration will be payable largely in Shares as opposed to cash; and (v) ownership of Murenbeeld would provide the Company with access to

a database and network of investment industry professionals that would be valuable to the Company as it transitions into business as an investment issuer.

#### *Service Agreements*

As disclosed in the Circular, it is a condition to completion of the Murenbeeld Acquisition that the Company enter into Service Agreements (as defined in the Circular) with Bluespring and Chantelle Schieven, an arm's length party. The terms of these Service Agreements have not been finalized, but it is anticipated that they will provide for the settlement of an aggregate of \$135,000 owed to these Service Providers in connection with historical services provided to Murenbeeld by the issuance of a maximum of 2,333,333 Shares at \$0.06 per Share to the Service Providers, with 916,666 of these Shares expected to be issued to Brian Bosse and 1,416,667 Shares to be issued to Chantelle Schieven. In addition, it is expected that these Service Agreements will provide for an annual salary payable in cash and, at the option of the Service Provider, in Shares issuable at the lowest price permissible by the stock exchange on which the Shares are listed at the relevant time, and in accordance with applicable securities laws.

#### Debenture Acquisition

##### *Assessment of Consideration*

The Independent Directors considered several factors in determining that the proposed consideration for the acquisition of the Bluespring Debentures and the Hueniken Debentures was fair and reasonable.

Pursuant to the acquisition agreement for the Hueniken Debentures, the Company has agreed to pay \$850,000 for the Hueniken Debentures, which amount will be paid partly in cash and partly in Shares as more particularly described in the Circular. The Company anticipates that approximately \$343,750 will be paid in cash and that the remainder will be paid by the issuance of approximately 8,437,500 Shares at \$0.06 per Share, with the majority of the Shares being issuable to Hueniken on closing of the Debenture Acquisition and the cash portion of the consideration upon maturity. Pursuant to the acquisition agreement for the Bluespring Debentures, the Company has agreed to: (i) pay \$942,900 consideration for the Bluespring Debentures by the issuance of 15,715,000 Shares at \$0.06 per Share; (ii) reimburse Bluespring's expenses in connection with the transaction by the issuance of Shares at \$0.06 per Share, which expenses were estimated to be \$40,000 as at December 31, 2018 which would result in the issuance of 666,667 Shares; (iii) pay \$200,000 for the License (as defined in the Circular and described in greater detail below) by the issuance of 3,333,333 Shares at \$0.06 per Share; (iv) pay \$4,500 for the acquisition of the shares of Stone Investment Group Limited owned by Bluespring by the issuance of 75,000 Shares at \$0.06 per Share; and (v) the issuance of Additional Consideration Shares (as defined in the Circular). The consideration payable to Bluespring, with the exception of the Additional Consideration Shares, will be paid on closing of the Debenture Acquisition.

Bluespring has also agreed to grant an exclusive License to the Company, which license includes all works of art, material, legal discussions, information, documents and material in connection with the Debentures and Stone Investment Group Limited ("**SIGL**") belonging to Bluespring or to which Bluespring has any interest or rights. In particular, it includes access to the legal work, opinions, records and other intangible assets of Bluespring relating to the investment case for SIGL debentures. This was derived as a result of the investigations Bluespring conducted in 2016 in connection with the meeting of the holders of SIGL debentures which included: cross examinations of the financial advisors and the CEO of SIGL; relationship building with other holders of SIGL debentures; and the subsequent follow-up with respect to these relationships and the prospects for acquisitions of additional SIGL debentures. The

grant of the License to the Company would provide the Company with the benefit of the significant research and information belonging to Bluespring relating to the Debentures, without the Company having to spend the considerable time that would be required to gather and produce this knowledge for itself.

In determining that the aforementioned consideration was reasonable, the Independent Directors considered several factors, including: (i) the consideration under the Bluespring Debenture acquisition agreement is payable in shares versus cash which is preferable for the Company given its limited financial resources; (ii) given the risk to Bluespring associated with taking shares as consideration as opposed to Hueniken who will receive a cash portion for its consideration and the fact that the consideration payable to Bluespring is below the redemption value of the Bluespring Debentures as opposed to the consideration for the Hueniken Debentures which is at the redemption value for the debentures, the inclusion of the Additional Consideration Shares as part of the consideration for the Bluespring Debentures is justified; (iii) the Company would spend considerable time and expense, likely more than \$200,000 and much of the 30 months remaining on the term of the Debentures, to acquire the intangible assets that are the subject of the License (as defined in the Circular) which form the basis for the Company's proposed future assessment of whether there is a viable investment case for the acquisition of additional debentures of SIGL; and (iv) the fact that Hueniken is an arm's length party.

#### Concurrent Financing

Brian Bosse intends to participate in the Concurrent Financing (as defined in the Circular) and subscribe for up to \$330,000 of Shares. It was disclosed in the Circular disclosure in the "Information Concerning the Resulting Issuer" section, under the headings "Principal Securityholders" and "Directors and Executive Officers that post-closing shareholdings for Brian Bosse were calculated based on the assumption that he would be subscribing for \$325,000 of Shares pursuant to the Concurrent Financing. Following closing of the Proposed COB and Concurrent Financing, and entry into his Service Agreement, it is anticipated the Mr. Bosse will own approximately 32,873,333 Shares (representing approximately 37029% of the Company's total 88,146,397 issued and outstanding Shares following completion of the Transactions and Consolidation, and assuming that the Concurrent Financing is fully subscribed at that all Shares were issued at \$0.06 per Share. Mr. Bosse's shareholdings are expected to be comprised of 19,790,000 Shares issued pursuant to the Bluespring Debenture Acquisition assuming expenditures of Bluespring are \$40,000 in connection with the transaction, 5,500,000 Shares pursuant to the Concurrent Financing assuming all shares were subscribed for at \$0.06, 6,666,667 Shares at \$0.06 per Share as consideration for the Murenbeeld share and 916,666 Shares at \$0.06 per Share on settlement of amounts owed to Mr. Bosse by Murenbeeld. To the knowledge of the Company, there are no other related parties of the Company that plan to subscribe for shares pursuant to the concurrent financing. As the Concurrent Financing is a connected transaction with respect to the Proposed COB, it is subject to the approval of a majority of the disinterested directors and shareholders of the Company as part of approval of the Proposed COB. To the knowledge of the Company, Brian Bosse is the only person whose shares would be excluded from voting on the Concurrent Financing; however, since Mr. Bosse does not currently own any shares of the Company, there will be no shares excluded from voting.

#### Listing Transfer

The Company has applied to have its Shares listed for trading on the Canadian Securities Exchange (the "CSE"). To date, the Company has not received the conditional approval of the CSE for this listing transfer. At the Meeting, the Company will seek the approval of the shareholders to voluntarily delist

from the TSXV, and, if required by the TSXV, majority of minority approval for the voluntary delisting will be sought from the shareholders. Assuming that the shareholders approve the delisting, that the CSE conditionally approves the listing on its stock exchange and that the TSXV approves the voluntary delisting, in connection with closing of the Proposed COB, the Company intends to apply for a voluntary delisting from the TSXV, complete the Proposed COB and Concurrent Financing, and then list on the CSE.

### **About International Corona Capital Corp.**

The Company is currently listed on the TSXV under the symbol "IC". To learn more about the Company please visit <http://www.internationalcorona.ca>.

### **Other Information**

*Completion of the transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. 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 or filing statement 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 the Company should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

### **On behalf of the Board of Directors**

*"Douglas MacQuarrie"*

Director  
International Corona Capital Corp.

### **Contact Information**

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### **Disclaimer for Forward-Looking Information**

*This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements regarding the Proposed COB, the Murenbeeld Acquisition, the Debenture Acquisition, the Concurrent Financing, the Service Agreements, the transfer of the listing of the Company's Shares and statements regarding the proposed business and operations of the Company following completion of the foregoing transactions. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors that may cause*

*actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: delay or failure to receive shareholder or regulatory approvals for the respective transactions; an inability to complete the acquisitions, Concurrent Financing, the Consolidation and/or the name change; general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; and other risks outside of the Company's control. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except as required by applicable laws, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*

*Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.*