

**INTEGRATED ENERGY STORAGE AND MEDCOLCANNA ANNOUNCE  
CLOSING OF FINANCING TRANSACTIONS AMOUNTING TO APPROXIMATELY C\$9.1MILLION**

- Closes C\$2,908,000 on First Closing of Brokered Offering
- Closes C\$2,291,700 on Second Closing of Brokered Offering
- Closes C\$2,407,000 on Third Closing of Brokered Offering
- Closes C\$500,000 on Non-Brokered Offering into Medcolcanna
- Closes C\$1,011,750 on Non-Brokered Offering into IES

*Not for distribution to United States newswire services or for release publication, distribution or dissemination directly, or indirectly, in whole or in part, in or into the United States.*

**March 5, 2019 – Integrated Energy Storage Corp. (“IES” or the “Company”)** and Medcolcanna (BVI), Inc. (“**Medcolcanna**”), a privately held company incorporated pursuant to the laws of the British Virgin Islands, are pleased to announce that, further to the proposed acquisition of Medcolcanna by the Company (the “**Transaction**”), Medcolcanna and the Company have closed a series of financing transactions for gross proceeds of C\$9,118,450 (collectively, the “**Offering**”). Pursuant to the Offering, Medcolcanna issued a total of 11,632,000 subscription receipts (the “**Subscription Receipts**”) at a price of C\$0.25 per Subscription Receipt for gross proceeds of C\$2,908,000 (the “**First Closing**”). Following the First Closing, Medcolcanna issued an additional 18,794,800 Subscription Receipts at a price of C\$0.25 per Subscription Receipt, in two additional tranches, for gross proceeds of C\$4,698,700 (collectively, with the First Closing, the “**Brokered Offering**”). Each Subscription Receipt entitles the holder to receive, upon satisfaction of certain escrow release conditions, and without payment of additional consideration, one unit in the capital of Medcolcanna (a “**Unit**”). Each Unit shall consist of one common share in the capital of Medcolcanna (“**Medcolcanna Share**”) and one-half of one common share purchase warrant (each whole warrant, a “**Medcolcanna Warrant**”), with each Medcolcanna Warrant exercisable into a Medcolcanna Share at a price of \$0.40 for a period of 24 months from the date of issuance. Upon the closing of the Transaction, the Units shall be exchanged, without further consideration, for units in the capital of the IES (the “**Resulting Issuer**”), with each such unit comprising one common share in the capital of the Resulting Issuer (a “**Resulting Issuer Share**”) and one-half of one common share purchase warrant of the Resulting Issuer (each whole common share purchase warrant, a “**Resulting Issuer Warrant**”). Each Resulting Issuer Warrant will entitle the holder thereof to acquire one Resulting Issuer Share at a price of \$0.40 per Resulting Issuer Share for a period of 24 months from the date of issuance. The Subscription Receipts are subject to a statutory hold period of four months and a day from the later of the distribution date and the date that Medcolcanna becomes a reporting issuer under the securities laws of any jurisdiction in Canada.

Medcolcanna also completed a non-brokered offering of 2,000,000 units (“**Medcolcanna Units**”) at a price of C\$0.25 per Medcolcanna Unit (the “**Non-Brokered Offering**”) for gross proceeds of C\$500,000, with the subscribers in the Non-Brokered Offering being sourced by IES. Each Medcolcanna Unit will consist of one Medcolcanna Share and one-half of one Medcolcanna Warrant, with each whole Medcolcanna Warrant being exercisable into one Medcolcanna Share at an exercise price of C\$0.40 for a period of 24 months following issuance.

In addition to the foregoing, IES completed a non-brokered offering of common shares for gross proceeds of C\$1,011,750 (the “**IES Non-Brokered Offering**”). Proceeds of C\$1,000,000 raised by IES pursuant to the IES Non-Brokered Offering, less certain advisory fees, will be held in escrow pending completion of the Transaction.

In connection with completion of the IES Non-Brokered Offering, Paloduro Investments Inc. (“**Paloduro**”) has acquired 8,000,000 common shares of IES representing approximately 15.5% of the issued and outstanding common shares of IES. Paloduro has acquired these securities for investment purposes and has no present intention to acquire further securities of IES, although may in the future acquire or dispose of securities of IES as circumstances warrant. A copy of the early warning report filed by Paloduro in connection with completion of the IES Non-Brokered Offering is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under the profile for IES, or by contacting Paloduro directly.

GMP Securities L.P. and Canaccord Genuity Corp. (the “**Agents**”) were co-lead agents for the Brokered Offering. A Cash Commission in the amount of 6.0% of the proceeds raised pursuant to the Brokered Offering was paid to the Agents, in addition to compensation options (“**Compensation Options**”) representing 6.0% of the gross proceeds of the Brokered Offering. Each Compensation Option entitles the Agents to acquire a Unit (the “**Compensation Units**”) at a price of \$0.25, with each Compensation Unit consisting of one Medcolcanna Share (“**Compensation Share**”) and one half of one common share purchase warrant in the capital of Medcolcanna (each whole common share purchase warrant, a “**Compensation Warrant**”). Each Compensation Warrant is exercisable into one Compensation Share for a period of 24 months from the date of issuance at a price of \$0.40 per Compensation Share. It is anticipated that upon the closing of the Transaction, the Compensation Options will be exchanged into options of the Resulting Issuer, exercisable on substantially the same terms.

In addition, GMP Securities L.P. and Canaccord Genuity Corp. (the “**Advisors**”) were advisors on the IES Non-Brokered Offering. In exchange for their services, the Advisors were paid an advisory fee of C\$42,240. The Advisors will also be granted compensation options (the “**Resulting Issuer Compensation Options**”) entitling the Advisors to purchase that number of units of the Resulting Issuer equal to 6.0% of the aggregate number of common shares issued by the Company under the IES Non-Brokered Offering with an exercise price per Reporting Issuer Compensation Option that is equal to \$0.25 per Resulting Issuer Share, subject to any necessary adjustments. The Resulting Issuer Compensation Options shall have a term of 24 months following the date of issuance.

The net proceeds from the Offering will be used to expand the business of Medcolcanna, for working capital, and for general corporate purposes.

The Transaction is subject to requisite regulatory approvals and standard closing conditions, including the listing of the Resulting Issuer on the facilities of the TSX Venture Exchange, as well as the conditions described below. Upon completion of the Transaction, it is the intention of the parties that the Resulting Issuer will continue to focus on the current business and affairs of Medcolcanna.

## **About Integrated Energy Storage Corp.**

Until execution of the agreement with Medcolcanna, IES was focused on the research and development of electrical energy storage systems primarily based upon the Vanadium Redox Battery Technology. Assuming completion of the Transaction, IES will have acquired the business of Medcolcanna, will be a cultivator, manufacturer and distributor of medicinal cannabis based in Colombia, and is expected to be a Life Sciences Issuer under the policies of the TSX Venture Exchange. The Resulting Issuer expects to sell the existing assets of IES immediately prior to or contemporaneously with the consummation of the Transaction.

## **Further Information**

All information contained in this news release with respect to IES and Medcolcanna was supplied by the parties respectively for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

For further information regarding the proposed Transaction, please contact:

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## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:**

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the terms and conditions of the proposed Transaction; the terms and conditions of the proposed offerings; receipt of all regulatory licenses required for the cultivation, production, domestic distribution and international export of cannabis and cannabis-related products; use of proceeds raised in the Offering; and the business and operations of the Resulting Issuer after the consummation of the proposed Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the

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: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release.

IES and Medcolcanna assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The securities to be offered in the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

*Neither the TSX Venture Exchange Inc. nor its regulation services provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release and neither of these entities has in any manner passed upon the merits of the Transaction or any associated transactions.*