

# Icon Exploration Inc. Executes Formal Share Exchange Agreement in Furtherance of its Change of Business Transaction

Toronto, Ontario--(Newsfile Corp. - November 7, 2018) - Icon Exploration Inc. (TSXV: IEX.H) ("**Icon**" or the "**Company**") is pleased to advise that it has now signed the formal share exchange agreement relating to its proposed change of business resulting from the acquisition of City View Green (the "**Proposed Transaction**").

As disclosed in prior news releases this past year, City View Green (or "**CVG**") is a private numbered company incorporated under the laws of Ontario that has an exclusive 5 year lease (with an option to renew for 5 years) with a further exclusive right to lease any future buildings and has added the option to buy the building and land owned by the building owner located in Brantford, Ontario. Additional buildings can be constructed and leased totaling approximately 120,000 ft<sup>2</sup> of building space. City View Green has submitted an application to Health Canada for an Access to Cannabis for Medical Purposes Regulations ("**ACMPR**") licence and has received a file number indicating receipt of the licensed producer application under the ACMPR and further correspondence that CVG is currently in the in-depth review stage of the application review process. City View Green also owns standard operating procedures and extraction facility plans which it expects to utilize in its extraction business once it is granted the ACMPR licence. In addition, City View is in the process of completing the acquisition of a 19.99% interest in a private company that has made application for licences permitting it to operate retail cannabis stores in Alberta. As at September 30, 2018 (unaudited), CVG had current assets of \$468,196 and total assets of \$2,925,933, total liabilities of \$132,250, no revenues and total comprehensive loss of \$776,655. It is expected that prior to closing of the Proposed Transaction, CVG will have raised an additional minimum \$1,000,000 and obtained a \$1,400,000 line of credit for construction and equipment of its facility.

## **About City View Green**

City View Green set out to build a state-of-the art cannabis company from the ground up. In just over 12 months, the company has made significant strides to develop a solid business footing while applying for its ACMPR licence.

City View Green believes it has assembled the right ingredients and fundamentals that incorporates a model that mirrors the early successful players in the cannabis sector. City View Green has set out on developing a state-of-the-art growing facility and extraction facility along with a retail strategy creating a truly vertically integrated cannabis company.

Over the past year, CVG's focus has shifted from being strictly a cultivation company, to becoming a multifaceted product offering cannabis company. While City View Green believes demand for cannabis flower will outstrip supply in the short-term, making flower a profitable business line, it also believes that the future points to extractions and the spinoff consumer products that can be created from extractions. City View Green realized early on that it isn't only about crop yield and that over the long term, it's about lowering production costs and developing efficient growing operations, as mature cannabis markets in the U.S. point to a lower price per gram for flower over time. CVG envisions price compression on a per gram basis similar to the U.S. market experience will occur in Canadian cannabis market for flower. On the extraction side of the business, the company has hired a management team that has expertise in concentrates, oils, distillates and isolates that will go into functional beverages, edibles, creams, cosmetics and other consumer related product offering for the recreational retail market.

CVG is already preparing a 40,000-square-foot growing facility in Brantford, Ontario, to produce pharmaceutical-grade cannabis once its ACMPR licence is granted, and has engaged experienced contractors with extensive experience in the pharmaceutical and medical cannabis space. Initially, about half the facility will be outfitted with state-of-the-art LED lighting, HVAC systems and automation technologies to optimize the quality, safety and consistency of cannabis production. About 4,000 square feet will be devoted to an extraction laboratory, which will feature an ultra-efficient CO<sub>2</sub> supercritical extraction process and in the future ethanol extraction technology.

CVG believes it has assembled an experienced team that can deliver on its business plan. CVG has secured a Master Grower with cannabis-industry experience to attend to indoor grow operations and has identified both a Quality Assurance Manager and Head of Security. CVG has also retained an extraction expert from the Seattle, Washington cannabis market, who has amassed significant expertise in developing and launching new products from extractions. In addition, the company has shortlisted a number of potential candidates with strong experience in the alcohol and beverage industry to join CVG's team.

City View Green has negotiated an agreement with a private company that is seeking 37 retail cannabis licenses in Alberta. The agreement provides that on closing, each company will receive an equity interest equal to 19.99% of the other. It is the Company's view that this co-ownership between the two companies sets CVG apart from other early stage cannabis companies that have gone public. On completion of this transaction and issuance of the ACMPR licence to CVG, the retail company will have access to CVG's cannabis products and CVG will have access to a retail market once CVG's products are approved for sale, thus creating a vertically integrated operation. City View Green is also reviewing other retail opportunities in other provinces across Canada.

CVG has also had early discussions with various European groups to discuss offtake agreements for CBD oils and extracts.

CVG is currently working with several cannabis consultants, who are shepherding the company's ACMPR application through the licensing process. Out of approximately 2,800 companies that applied for an ACMPR licence, CVG is one of approximately

400 applicants still under consideration.

Rob Fia commented, "Although the process has taken longer than we wanted, we are pleased to finalize an agreement between City View Green and Icon. In the end, we feel it will be well worth the wait for our shareholders. The resulting company will be a true vertical operation in the cannabis space with a solid team at the helm. We believe we have already differentiated ourselves from other cannabis companies and will become a powerful entry into the cannabis marketplace."

### *The Share Exchange Agreement and Proposed Transaction*

This Proposed Transaction, which will see the Company transition from a resource company to a company carrying on business in the cannabis sector, will constitute a "Change of Business" ("**COB**") as defined in Policy 5.2 of the TSX Venture Exchange (the "**Exchange**"). The Proposed Transaction is not a Related Party Transaction (as such term is defined in Exchange policies); however, the three directors of Icon, Rob Fia, Joseph Heng and Stephen McNeill, currently own, in the aggregate, approximately 18.7% of the issued shares of City View Green and it is expected that at the time of closing the Proposed Transaction, they will own, in the aggregate, approximately 14.4% of the then issued shares of CVG. Shareholder approval will not be required in regard to this transaction unless the Exchange requires it. In such event, the Proposed Transaction must be approved by a simple majority of Icon's disinterested shareholders in attendance at a meeting of Icon shareholders or obtained by written consent.

Pursuant to the Share Exchange Agreement ("**SEA**"), Icon and City View Green will complete a business combination by way of share exchange between Icon and all of the shareholders of City View Green, whereby CVG will become a wholly owned subsidiary of Icon. On closing of the Proposed Transaction, Icon will issue 10.6 Icon common shares for every issued common share of CVG (the "**CVG Shares**"). In addition, all outstanding incentive options of CVG (the "**CVG Options**") will be cancelled and Icon will issue 5 Icon incentive options, each of which is exercisable for a period of five years, for each CVG Option so cancelled.

The parties contemplate that on completion of the Proposed Transaction, Icon will issue approximately 195,788,657 common shares of Icon (the "**Icon Shares**"). 106,441,667 Icon Shares, being the total number of Icon Shares issued to principals of the resulting issuer (directors, officers, 10% shareholders and any family members residing at the same address) and certain other shareholders, will be escrowed such that 10% will be released on closing of the Proposed Transaction and an additional 15% will be released every 6 months thereafter. Pursuant to the terms of the SEA, all other Icon Shares issued on closing will be subject to a voluntary escrow such that 20% will be released on closing of the Proposed Transaction and 20% will be released 3, 6, 9 and 12 months after the closing date.

At closing, Icon will also issue 20,216,665 incentive stock options (the "**Icon Options**"), 6,700,000 of which will be exercisable at a price of \$0.25/share and 13,516,665 of which will be exercisable at a price of \$0.75/share. All Icon Options will vest as to 1/3 on each of the first, second and third anniversaries of the closing of the Proposed Transaction. In addition, 9,250,000 Icon Options to be issued to principals and certain other optionholders of the resulting issuer will be escrowed pursuant to the escrow provisions set out above.

Icon currently has 31,941,426 shares issued and outstanding, 2,766,250 warrants outstanding and 3,037,734 stock options outstanding. Upon completion of the Proposed Transaction, it is estimated that there will be approximately 227,730,083 Icon Shares issued and outstanding immediately following closing of the Proposed Transaction (253,750,732 Icon Shares on a fully-diluted basis) with City View Green shareholders holding approximately 86% of the then issued Icon Shares (or 85.1% of the Icon Shares on a fully-diluted basis) and current Icon shareholders holding approximately 14% of the then issued Icon Shares (or 14.9% of the Icon Shares on a fully-diluted basis).

It is anticipated that upon closing of the Proposed Transaction, the current directors of Icon, being Rob Fia, Joseph Heng and Stephen McNeill will remain directors of the resulting issuer. In addition, at closing, the current sole director and officer of CVG will resign and CVG's nominee, Mr. Tim Peterson, will then be added to the Board of Directors of Icon. It is further anticipated that upon closing of the Proposed Transaction, the current officers of Icon, being Rob Fia, CEO, and Joseph Heng, CFO and secretary, will remain the officers of the resulting issuer.

Mr. Fia has been the Co-Head Corporate Finance of Kingsdale Capital Markets Inc. since 2004 and is also a director and the CEO of Therma Bright Inc. (TSXV: THRM) (since 2009). Mr. Fia was the CEO and a director of MCM Capital One Inc. (a TSX-V capital pool company which became "Enerdynamic Hybrid Technologies Inc." after the completion of its qualifying transaction). Mr. Fia has over 15 years' experience in the investment business, including both equity research and corporate finance. Mr. Fia began his career as a technology analyst with a Toronto-based investment bank in 1999 and in 2002, Mr. Fia created his own Limited Market Dealer involved in financing and advising high growth companies, primarily in oil and gas, mining, alternative energy and technology. He also helped co-found several new companies focused on gold exploration and oil and gas in Africa, Canada, Chile and Colombia. Mr. Fia received his Bachelor's of Commerce from the I.H. Asper School of Business at the University of Manitoba and holds the Chartered Financial Analyst designation.

Mr Heng is a Chartered Accountant with 40 years of experience. He has been self-employed for 18 years. Mr. Heng has over 14 years of public company management experience, having served in the role as a director and/or CFO for various public companies listed on Canadian stock exchanges during that time. Mr. Heng graduated from the University of Malaya with a Bachelor of Science degree in Physics and Mathematics in 1968. Mr. Heng obtained his Chartered Accountant designation from the Ontario Institute of Chartered Accountants of Ontario in 1973. Mr. Heng is currently a Life Member of the Institute of Chartered Accountants of Ontario.

Mr. McNeill is managing partner in Q4 Communications, a marketing and digital advertising company. In 2013, Mr. McNeill entered the medical marijuana industry, and has provided communication, community liaison and other consulting services to a number of companies in Ontario and British Columbia that have either received their ACMPR licence to produce or have sought an ACMPR licence. He is a founding director of Georgian Bay Biomed, which is building a large-scale facility in Collingwood, Ontario. Mr. McNeill was involved in the application process, sourcing the company's quality assurance personnel, financing and community liaison. In early 2017, he was asked to join, as an associate, 3 West Management Group, an Ontario-based consulting firm of pharmaceutical, biomed and medical device experts with over 30 years experience. The team at 3 West has consulted for cannabis producers and applicants on matters related to branding and advertising. Mr. McNeill has also spent 30 years in journalism at daily newspapers such as The Globe and Mail and business editor at The Hamilton Spectator. He left the media industry to offer marketing and consulting services as described above.

Mr. Peterson has a Bachelor of Arts degree in economics from the University of Western Ontario. He is currently a director of Therma Bright Inc. (TSXV: THRM) (since Jan 2018). Previously, he was a director of Augen Gold, Trelawney Mining, Northern Crown Capital, Inc. (a merchant banking firm), Process Capital, Nordex Explosives and Oxygen and Prescott Paper Products, as well as the Mississauga Hospital Foundation. Mr. Peterson is a former Ontario MPP (Mississauga South). Mr. Peterson is the brother of two prominent Liberal politicians: former Premier of Ontario, David Peterson, and former federal cabinet minister, Jim Peterson.

Upon closing of the Proposed Transaction, Quinsam Capital Corporation, a public company listed on the Canadian Securities Exchange, will become an insider of the resulting issuer in that it will own approximately 15% of the then issued common shares of Icon (13.6% on a fully diluted basis).

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are standard for a transaction of this nature, including but not limited to (i) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents; (ii) the approval by the shareholders of Icon to complete the Proposed Transaction, if required; and (iii) issuance of the ACMPR license to City View Green, if required by the stock exchange. **There can be no assurance that the Proposed Transaction will be completed on the terms proposed above or at all.**

Each of Icon and City View Green will bear their own costs in respect of the Proposed Transaction.

### **Icon Outstanding Warrants**

Icon would like to take this opportunity to remind the holders of its outstanding warrants that the warrants expire on December 15, 2018. Any warrants not exercised by 5:00 p.m. (Vancouver time) on December 15, 2018, will thereafter be null and void.

### **Cautionary Note**

*Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. 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 filing statement to be prepared in connection with the 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 Icon, if reinstated prior to completion of the Proposed Transaction, should be considered highly speculative.*

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

*Kingsdale Capital Markets Inc., subject to completion of satisfactory due diligence, has agreed to act as sponsor in connection with the transaction, if an exemption from sponsorship is not obtained or available. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.*

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### **ABOUT ICON EXPLORATION INC.**

Icon is a publicly traded company on the NEX Exchange (TSXV: IEX.H) our primary objective is to create a well-diversified company that will produce long-term returns for its shareholders and investors. Our current focus is on assessing potential acquisition targets in the cannabis industry. [www.iconexploration.net](http://www.iconexploration.net).

*Neither the TSX Venture Exchange nor its Regulation Services Provider  
(as that term is defined in policies of the TSX Venture Exchange) accepts responsibility  
for the adequacy or accuracy of this release.*

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

*This press release contains forward-looking statements and information that are based on the beliefs of management and reflect Icon's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the business plans of Icon and City ViewGreen, the status of the ACMPR license application, construction of the facility, CVG closing an additional seed raise and obtaining a construction line of credit financing prior to closing the Proposed Transaction, completion of the mutual share issuance between CVG and a cannabis retail company, the potential for other retail arrangements, engaging additional qualified personnel and team members, the potential for future offtake arrangements, the Proposed Transaction (including exchange approval, shareholder approval and the closing of the Proposed Transaction) and the board of directors and management of the Company upon completion of the Proposed Transaction. Such statements and information reflect the current view of Icon. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.*

*By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our 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 following risks:*

- *there is no assurance that Icon and City ViewGreen will obtain all requisite approvals for the Proposed Transaction, including the approval of the TSXV, or approvals of their respective shareholders, and any such approvals may be conditional upon amendments to the terms of the Proposed Transaction;*
- *there is no assurance that CVG will obtain an ACMPR license from Health Canada;*
- *following completion of the Proposed Transaction, Icon may require additional financing from time to time in order to continue its operations. Financing may not be available when needed or on terms and conditions acceptable to it;*
- *new laws or regulations could adversely affect Icon's business and results of operations after completion of the Proposed Transaction; and*
- *the stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of Icon's securities, regardless of its operating performance.*

*There are a number of important factors that could cause Icon's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others: limited business history of City ViewGreen; disruptions or changes in the credit or security markets; results of operation activities and development of projects; laws, rules and regulations relating to the medical marijuana industry; project cost overruns or unanticipated costs and expenses, and general market and industry conditions.*

*Icon cautions that the foregoing list of material factors is not exhaustive. When relying on Icon's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Icon has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.*

**THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF ICON AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE ICON MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.**

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