



## Osoyoos Cannabis Announces Non-Binding Letter of Intent to Continue as Anahit International Following Reverse Take Over

Toronto, Ontario (May 16, 2019) – Osoyoos Cannabis Inc. (CSE:OSO) (“**Osoyoos**” or the “**Company**”) and Anahit International Corp. (“**Anahit**” or “**Target**”) are pleased to announce today that they have entered into a non-binding letter of intent (“**LOI**”), which subject to, among other things, due diligence of each party, the negotiation and execution of a definitive agreement, certain conditions and applicable Canadian Securities Exchange (“**CSE**”) approval, will result in the reverse takeover of Osoyoos by Anahit (“**Proposed Transaction**”). After completion of the Proposed Transaction, the shareholders and certain convertible security holders of Osoyoos will hold approximately 20% of the issued common shares of the resulting issuer, with current shareholders and convertible security holders of Anahit holding approximately the remaining 80%, on a partially-diluted basis, as further noted below.

If completed, the Proposed Transaction will constitute a *Fundamental Change*, as such term is defined in the policies of the CSE. Osoyoos’ shares have been halted and will remain so until the CSE has reviewed and approved the Proposed Transaction.

### **Commentary from Gerry Goldberg, Interim CEO of Osoyoos Cannabis Inc.**

“We are very pleased to announce the entering of the LOI with Anahit International Corp. as a first step to potential completion of the Proposed Transaction. Assuming completion of the Proposed Transaction, going forward, Osoyoos intends to operate as a division of Anahit and continue to execute on Anahit’s corporate initiatives. As such, Osoyoos will represent a portion of Anahit’s Canadian footprint and be amongst a broader portfolio of global assets. We believe the combination of these aligned businesses will substantially increase Osoyoos’ shareholder value.”

### **Overview of Anahit International Corp.**

Anahit is a Toronto-based company with a focus on international cannabis operations and is committed to leveraging its Canadian expertise around the world. This includes operations in emerging, regulated jurisdictions where climates are conducive to low-cost, high-quality outdoor cannabis cultivation, processing, and product development.

Anahit’s international operations are supported by Canadian and U.S. experts, who are introducing Health Canada approved methodologies to Anahit-owned (or leased) farms and operations, including: cultivation, extraction, storage, and product development. This team of experts consists of members from Canada, Colorado and California, with a depth of experience in extraction, product creation, and management of retail locations. Anahit’s commitment is to leverage this expertise into developing economies in a manner that is responsible, accessible and economical. Anahit is committed to supply the global market with high-quality products that meet and surpass Canada’s high standards. In this endeavor, Anahit has specifically targeted jurisdictions in which its operations will be able to achieve this benchmark. Across these countries, advancements in cannabis regulations have advanced substantially and this will enable Anahit to take advantage of operating in these international markets.

Anahit currently has over 15 new cannabinoid products in development, including medical and over the counter health and wellness products. The Company has the ability to rapidly produce high quality products in a low-cost and high throughput environment. Through its partnership with the University of Guelph, Anahit is commercializing certain technology to make novel anti-inflammatory medications from cannabis.

## **Anahit's Portfolio of International Assets**

### Jamaica

Jamaica is one of the most exciting international markets and presents a significant opportunity to obtain unique strains, cultivate premium flower and develop high value products. Anahit has received conditional approval for Cultivator's Licenses across three sites, which will allow Anahit to cultivate cannabis outdoors on a total of 26.5 acres. Additionally, Anahit has conditional approval for two Processing Licenses and an Herb House License for local retail sales. Outdoor cultivation will operate year-round and yield four crops per year, which will be processed in Anahit's GMP extraction facilities.

### Columbia

Columbia has established a robust cannabis regulatory framework and offers an ideal climate for year-round cultivation. Anahit is in the process of acquiring cultivation, extraction, seed, local sales and export licensing. In addition to this, Anahit has local distribution contracts with hospitals and pharmacies. Anahit will begin cultivation on 20 hectares of land, with an option to expand by an additional 20 hectares. The acquisition of the license includes greenhouse cultivation facilities and the initial build out will include a GMP extraction facility.

### Greece

Anahit is in the process of acquiring a facility for the purpose of cultivating and processing cannabis in Greece. Once completed, Anahit is expected to be among the first holders of such licenses. The site contains 1 hectare of glass and canopy greenhouses with an option to expand onto an additional 7 hectares of adjacent land. Phase 1 will include an EU GMP certified processing facility which will provide medical oils and over the counter CBD products derived from hemp. These products will be sold across 11,000 local pharmacies and for export into other EU markets. Phase 2 relates to the acquisition of a THC license, which is anticipated to be received approximately 90-days after the cultivation license related to hemp in Phase 1 is received.

## **The Proposed Transaction**

Pursuant to the LOI, dated May 15, 2019, upon the completion of the Proposed Transaction:

1. the outstanding common shares in the capital of the Target (the "**Target Shares**") will be exchanged for common shares in the capital of the Company (the "**Company Shares**"), whereby each holder of a Target Share will receive one 3.53010365193 Company Shares for each Target Share held (the "**Exchange Ratio**") (such issuance not including Company Shares to be issued or issuable under the Target future obligations). Following the above exchange it is agreed that the former Company shareholders (on a partially diluted basis taking into account the 12,308,330 warrants exercisable at prices ranging from \$0.20 to \$0.45) will hold twenty percent (20%) and former Target shareholders (on a partially diluted basis) will hold eighty percent (80%) of the issued and outstanding shares of the resulting issuer.
2. All outstanding options, warrants and future obligations to issue Anahit common shares will be exchanged with options, warrants and future obligations to issue common shares in the resulting issuer in accordance with the Exchange Ratio. The Exchange Ratio will be adjusted as is necessary to effect the ratio of 20 percent to 80 percent prior to closing of the Transaction in accordance with the terms of the LOI.
3. Osoyoos will change its name to "Anahit International Corp.", or such other name as may be acceptable to Anahit, the CSE, and regulatory authorities.
4. The board of directors of the resulting issuer will be reconstituted to be comprised of five (5) directors, four of which will be nominees of Anahit and one of which will be a nominee of Osoyoos. Management of the resulting issuer will be fully comprised of Anahit representatives.

**Closing Conditions**

Closing of the Proposed Transaction is subject to negotiation, completion and execution of a definitive agreement and all ancillary definitive transaction documents as well as customary conditions, including the satisfaction of each party with the results of its due diligence investigation, receipt of all required shareholder, board, third party and regulatory consents and approvals and the satisfaction of other closing conditions.

***About Osoyoos Cannabis Inc.***

Osoyoos Cannabis Inc. is an early-stage cannabinoid extraction company based in Oliver, BC. Osoyoos Cannabis has applied for a standard processing license under the Cannabis Act for its 10,410 ft<sup>2</sup> facility and that application is currently in the review stage. The Company will offer contract tolling extraction, sale of bulk oil and development of both proprietary Osoyoos Cannabis branded and white labelled products once licensed to do so.

For further information, please contact:

Osoyoos Cannabis Inc.

Gerry Goldberg, Interim CEO

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The CSE has in no way passed upon the merits of the Proposed Transaction and has neither approved or disapproved the contents of this press release.

**DISCLAIMER & READER ADVISORY**

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words “could”, “intend”, “expect”, “believe”, “will”, “may”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward- looking information and are based on the Company’s current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the intention of the Company to become licensed in Canada to produce cannabis extracts. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include the parties being able to obtain the necessary corporate, regulatory and other third-party approvals; licensing and other risks associated with Cannabis Act (Canada) operations. The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. Securities laws.

We seek safe harbour.