

# Spyder Cannabis Completes Debt Settlement Transaction

Vaughan, Ontario--(Newsfile Corp. - March 16, 2021) - Spyder Cannabis Inc. (TSXV: SPDR) ("**Spyder Cannabis**" or the "**Company**"), an established Canadian cannabis accessory and vape retailer, is pleased to announce that, further to its press release of January 6, 2021, it has completed its previously-announced debt settlement transaction (the "**Transaction**") pursuant to which the Company has issued, to certain creditors of the Company, an aggregate of 9,966,666 common shares in the capital of the Company (each, a "**Common Share**") at a deemed price of \$0.03 per Common Share, in settlement of an aggregate of \$299,000 in indebtedness of the Company. The Common Shares issued in connection with the Transactions are subject to a statutory hold period of four months and a day from the date of issuance, expiring on July 16, 2021.

## Related Party Transaction

Mr. Daniel Pelchovitz (the Chief Executive Officer and a director of the Company), Mr. Mark Pelchovitz (the Chief Financial Officer and a director of the Company), and Mr. Steven Glaser (a director of the Company) (collectively, the "**Participating Insiders**") participated in the Transaction and acquired an aggregate of 7,933,332 Common Shares in settlement of an aggregate of \$237,999.96 in indebtedness of the Company. The participation of the Participating Insiders in the Transaction constitutes a "related party transaction", as such term is defined in Multilateral Instrument 61-101 - *Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**"), and would require the Company to receive minority shareholder approval for, and obtain a formal valuation for the subject matter of, the transaction in accordance with MI 61-101, prior to the completion of such transaction. However, in completing the Transaction, the Company has relied on exemptions from the formal valuation and the minority shareholder approval requirements of MI 61-101, in each case on the basis that the fair market value of the Participating Insiders' participation in the Transaction does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report more than 21 days before the closing date of the Transaction (the "**Closing Date**") as a result of the participation of the Participating Insiders having been contingent on, and subject to, the receipt of certain required approvals, which approvals were only secured by the Company and the Participating Insiders closer to the Closing Date.

## Early Warning Report

Prior to the closing of the Transaction, Mr. Mark Pelchovitz beneficially owned (i) 5,115,089 Common Shares, representing approximately 10.86% of the total issued and outstanding Common Shares (on a non-diluted basis), and (ii) assuming full exercise of 33,333 common share purchase warrants of the Company ("**Warrants**"), and 600,000 stock options of the Company ("**Options**") prior to the Transaction, 5,748,422 Common Shares, representing approximately 12.21% of the issued and outstanding Common Shares on a partially diluted basis.

Following the completion of the Transaction, Mr. Mark Pelchovitz now has ownership and control over (i) 11,781,755 Common Shares, representing approximately 20.65% of the total issued and outstanding Common Shares (on a non-diluted basis), and (ii) 33,333 Warrants, and 600,000 Options, which together with the 11,781,755 Common Shares, and assuming full exercise of the Warrants and the Options, represents approximately 21.76% of the issued and outstanding Common Shares on a partially diluted basis.

The Common Shares acquired pursuant to the Transaction were acquired by Mr. Pelchovitz for investment purposes, and depending on market and other conditions, Mr. Pelchovitz may from time to time in the future increase or decrease his ownership, control or direction over securities of the Company through market transactions, private agreements, or otherwise. For the purposes of this

notice, the address of Mr. Pelchovitz is 57 Greenbank Drive, Richmond Hill, Ontario, L4E 4C4.

An early warning report pursuant to the requirements of applicable securities laws will be issued by Mr. Pelchovitz and will be posted to SEDAR at [www.sedar.com](http://www.sedar.com) and available on request at the number and addresses below. For further information, including a copy of the early warning report required under applicable Canadian securities laws to be filed by Mr. Pelchovitz as a result of the Transaction, please contact Dan Pelchovitz, the President & Chief Executive Officer, at 1-888-504-SPDR (1-888-504-7737).

### **About Spyder**

Spyder is a Cannabis and Vape retailer that operates in jurisdictions where the products are federally legal in Canada. The Company, through its subsidiaries, is a retailer involved in the development of two retail business units. The first is the sale of Cannabis products and the second is the sale of smoking cessation products in Ontario and Alberta.

### **Additional Information**

For more information, please contact:

#### **Spyder Cannabis Inc.**

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### **Cautionary Statements**

*Neither the TSX Venture Exchange 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 press release.*

*Certain statements contained in this press release may 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", "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 satisfaction of the closing conditions contemplated under the Debt Settlement. 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 Company. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things, general economic and business conditions and a changes in the regulatory conditions in the markets within which the Company operates. The Company cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this release is made as of the date hereof and the Company is 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.*



SPYDER CANNABIS  
ACCESSORIES & HEMP-BASED PRODUCTS

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