

Delota Provides Loan Update

Vaughan, Ontario--(Newsfile Corp. - July 29, 2022) - Delota Corp. (TSXV: LOTA) ("**Delota**" or the "**Company**"), an established Canadian cannabis and vape retailer, is pleased to announce that further to its press release dated January 27, 2021, the outstanding secured loan, in the principal amount of \$200,000 (the "**Loan**"), between the Company and an independent third party, at the time the Loan was entered into, pursuant to the terms of a loan agreement (the "**Loan Agreement**") has been assigned to a corporation controlled by the Chief Executive Officer of the Company, subject to TSX Venture Exchange approval (the "**Assignment**"). As of the date hereof, the outstanding amount owing by the Company under the terms of the Loan, inclusive of accrued interest, fees, expenses, including legal fees, and other amounts is \$271,510, which amount continues to accrue at a nominal interest rate of 21.70% per annum.

Related Party Transaction

The Assignment constitutes a "related party transactions", as such term is defined in Multilateral Instrument 61-101 - *Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**") due to the involvement of two insiders of the Company (an officer and a 10%+ shareholder) in the transaction 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 acquiescing to the Assignment, the Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101, in each case on the basis that the fair market value of the Loan 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 Assignment, which is it considers reasonable in the circumstances, as the Company was not involved in the negotiations of the Assignment.

Loan Details

Pursuant to the Loan Agreement, the Loan bears interest at a nominal interest rate of 21.70% per annum, and is payable on demand. The Company's obligations, pursuant to the Loan Agreement, is guaranteed by the Company's wholly-owned subsidiary, Spyder Cannabis Subco Inc. ("**Spyder Subco**"), and is secured solely by a first-ranking security interest (the "**Security Interest**") granted against certain specified assets and inventory of Spyder Subco, pursuant to, respectively, a guarantee agreement and a general security agreement executed by Spyder Subco in favour of the lender, as assigned. The Security Interest ranks *pari passu* with the security interest granted by Spyder Subco to an existing lender of the Company.

About Delota Corp.

Delota is an established cannabis and vape retailer that owns and operates a portfolio of Canadian retail brands well-positioned to capitalize on the evolving cannabis and nicotine retail sectors. Delota's goal is to build the most popular retail cannabis and nicotine brands in Canada by aggressively growing its retail footprint and developing retail banners that resonate with a loyal and growing cannabis and nicotine customer base. The Company's current retail banners include [Offside Cannabis](#) and [180 Smoke](#).

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 release.

Certain statements contained in this press release constitute forward-looking information. These

statements relate to future events or future performance of the Company. 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 Company's goal to build the most popular retail cannabis and nicotine brands in Canada by aggressively growing its retail footprint and developing retail banners that resonate with a loyal and growing cannabis and nicotine customer base. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include continuing customer demand for the Company's products, the Company's ability to develop popular cannabis and nicotine brands, the Company's ability to expand its retail footprint in Canada, and other risks. 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.

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