



Press Release # 6-2020
For Immediate Broadcast

**EMERGIA INC. ANNOUNCES FIRST CLOSING OF ITS PRIVATE PLACEMENT OF UNITS AND
RELATED DEBT SETTLEMENT AND WELCOMES THE ARRIVAL OF A NEW DIRECTOR ON THE
BOARD**

Montreal, Quebec, July 16, 2020 - (CSE: EMER) Emergia Inc. (the "**Corporation** or "**Emergia**") is pleased to announce that, subject to regulatory approval, it has completed the first closing (the "**First Closing**") of its previously announced private placement of up to \$15,000,000 (the "**Private Placement**") comprising of up to 20,000,000 units of the Corporation (the "**Units**") at a price of \$0.75 per Unit. At the First Closing, the Corporation has issued 8,948,352 Units at a price of \$0.75 per Unit for total amount of \$6,711,264 in full satisfaction of an aggregate outstanding debts of the Corporation in such total amount (the "**Debt Settlement**") or in cash.

Each Unit is composed of one Class A Common Share in the capital of the Corporation (a "**Common Share**") and a Common Share purchase warrant (a "**Warrant**") entitling the holder to purchase one Common Share at a price of \$1.25 per Common Share until December 31, 2021. The Common Shares will be listed on the Canadian Stock Exchange (the "**CSE**").

"This first closing of our private placement and debt settlement marks another important step in our efforts to improve our balance sheet and position our Corporation for future growth", said Henri Petit, President and CEO of Emergia. We are delighted with the confidence our creditors show in the management's ability to execute Emergia's reorganization plan and in the Corporation's capacity to realize its development projects, allowing it to pursue its objective of growth and valuation of the Corporation's assets."

In the course of this Debt Settlement, the Corporation issued 3,423,056 Units to subscribers who are related parties of Emergia under Multilateral Instrument 61-101 ("**MI 61-101**"). Emergia is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in that the fair market value of the consideration for the securities of the Corporation to be issued to insiders does not exceed 25% of its market capitalization.

As part of the Debt Settlement and pursuant to the prospectus exemption of section 2.14 of National Instrument 45-106 – *Prospectus Exemptions*, Mr. Henri Petit, President and CEO of the Corporation, settled \$1,522,292 of debt, comprising of advances made to the Corporation and accrued and unpaid compensation, in exchange of the issuance of 2,029,722 Units. Prior to the Debt Settlement, Mr. Petit owned, directly or indirectly or exercise control or direction over 2,724,335 Class A Common Shares and 1,000,000 Class B Common Shares, representing respectively 26.2% of the issued and outstanding Class A Common Shares and 22.2% of the issued and outstanding Class B common shares. Assuming completion of the First Closing and Debt Settlement, Mr. Petit will own, directly or indirectly or exercise control or direction over 4,754,057

Class A Common Shares and 1,000,000 Class B Common Shares, representing respectively 24.9% of the issued and outstanding Class A Common Shares and 22.2% of the issued and outstanding Class B common shares. Mr. Henri Petit may, in the future, acquire ownership and control over additional securities of Emergia for investment purposes.

The First Closing and the related Debt Settlement is subject to the receipt of all necessary regulatory approvals, including the CSE. Due to further investor interest, additional closings of the Private Placement may be held until August 31, 2020, or such other date proposed by the Corporation and will be subject to customary closing conditions, including the approval of the regulatory authorities and completion of all legal documentation.

Following the annual and special meeting of shareholders of the Corporation held on June 29, 2020, the Corporation is also pleased to announce the re-election of Messrs. Yves Séguin, Henri Petit, François Castonguay, Joseph Cianci, Guy Charette and Michael Kozub as directors of the Corporation and to welcome the arrival of Mr. Luc Papineau as a new board member. Mr. Papineau is a renowned leader in the capital markets. Today, director of various companies and president of the Chambre de Commerce et d'Industrie Française au Canada, he has acted as executive in the private wealth management and banking industries for over 35 years. He recently retired from his position of Vice-president – General Manager at Desjardins Securities.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful. All securities issued in connection with the Private Placement and the related Debt Settlement will be subject to a statutory hold period of four months plus one day from the date of issuance of the securities in accordance with applicable Canadian securities legislation. In addition, the securities to be offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act.

This news release is also being disseminated as required by National Instrument 62-103- *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* in connection with an early warning report to be filed on SEDAR. The head office of the Corporation is located at 160-640 Orly Avenue, Dorval, Quebec, H9P 1E9.

ABOUT EMERGIA INC.

EMERGIA operates mainly in Canada in the development, acquisition and management of multi-purpose real estate, including retail, multi-residential, industrial, and office buildings as well as land for future development. The Corporation's investment platform is based on an integrated, agile and efficient develop-to-own strategy that enables EMERGIA to benefit from development profits and the value-add while securing stable long-term returns.

For more information, please visit www.emergia.com and www.sedar.com. EMER.CN

Source: Emergia Inc.

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Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of historical facts contained in this press release are forward-looking information. Such statements and information may be identified by looking for words such as “about”, “approximately”, “may”, “believes”, “expects”, “will”, “intend”, “should”, “plan”, “predict”, “potential”, “project”, “anticipate”, “estimate”, “continue” or similar words or the negative thereof or other comparable terminology. Such forward-looking information includes, without limitation, statements with respect to the effect of the COVID-19 pandemic on the Corporation’s financial condition, the anticipated closing of the Private Placement, business strategy and plans, and objectives of or involving the Corporation. The forward-looking information is based on certain key expectations and assumptions made by the Corporation, including expectations and assumptions concerning satisfaction of all conditions of closing, absence of exercise of any termination right and the timing and receipt of regulatory approval with respect to the Private Placement and the issuance of the private placement shares and the availability of capital resources. Although the Corporation believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information since no assurance can be given that they will prove to be correct. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the effect of the COVID-19 pandemic on the Corporation’s financial condition, the real estate industry, and society as a whole. the market for the common shares, volatility of market price for common shares and other risks generally attributable to the business of the Corporation. For additional information with respect to risks and uncertainties, refer to the annual MD&A of the Corporation for the year ended December 31, 2019 filed on SEDAR at www.sedar.com.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE CORPORATION 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 THE CORPORATION MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE SECURITIES LEGISLATION.