

MIDNIGHT STAR VENTURES CORP.

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CSE Symbol: STV

AMENDED NEWS RELEASE MIDNIGHT STAR VENTURES CORP.

Midnight Star to Acquire License on Advanced Bio Farming Technology for Cannabis by Issuing approximately 50,000,000 Shares at a Deemed Price of \$0.20 Per Share For a Total Value of \$10,000,000

Vancouver, BC / Midnight Star Ventures Corp. (“Midnight Star”) (CSE: STV) released today an amended news release to correct calculation errors and a typographical error in the news release issued on April 20, 2018. Midnight Star announced that it has entered into a Share Purchase Agreement (the “Acquisition Agreement”) with Bio Harvest Ltd. (“Bioharvest”) to acquire from Bioharvest, 1,000,000 ordinary shares being 100% of the outstanding shares of Dolarin Ltd. (hereinafter the “Proposed Subsidiary”) an Israeli company incorporated for the purposes of completing the transactions described in this news release. Concurrent with the signing of the Acquisition Agreement, Bioharvest and the Proposed Subsidiary entered into a licensing agreement (the “Licensing Agreement”) and a services agreement (the “Services Agreement”). Closing of the acquisition is subject to a number of conditions including, Midnight Star having not less than \$2,000,000 US in cash to fund Midnight Star’s and Proposed Subsidiary’s respective obligations under the Acquisition Agreement, the Licensing Agreement and the Services Agreement, and general corporate purposes incurred after closing. Midnight Star’s ability to close will be contingent on it completing sufficient of the private placement described below to meet this commitment. The consideration under the Acquisition Agreement will be the issuance to Bioharvest of such number of shares of Midnight Star as shall represent 50% of the shares outstanding immediately following closing of the Acquisition (treating as outstanding, for all purposes of this announcement, all shares issuable under then outstanding or promised convertible, inclusive of the equity-based fees payable to certain finders as described below, but not including the Investors Warrants and the Director and Employee Options to be granted as described below. Bioharvest will also have a pre-emptive right to participate (on a pro-rata basis, with an over-allotment right) in future share issuances. Assuming the entire private placement is completed this will result in Midnight Star issuing to Bioharvest approximately 50,000,000 shares at a deemed price of \$0.20 per share for a total value of \$10,000,000. The transaction will constitute a fundamental transaction under the policies of the Canadian Securities Exchange (“CSE”) and all transactions described in this news release will be subject to CSE approval and shareholder approval as required by the CSE.

Midnight Star will pay to Capitalink Ltd. (a Tel Aviv, Israel based company, the principal shareholder of which is Lavi Krasney) a finder’s fee of \$85,000 US plus 3% of the amount of the share consideration issued to Bioharvest under the Acquisition Agreement. Such fees do not dilute the 50% that are to be issued to Bio Harvest nor included within the \$2,000,000 minimum cash condition. Capitalink LTD. is an arm’s length party to the company.

Bioharvest Technology

Bioharvest is an Israeli Company that has developed a bio-farming technology (the “Bioharvest Technology”). The Bioharvest Technology is a proprietary cell growth technology for growing plant cells at an industrial scale and harvesting the healthy ingredients from nature while maintaining their original structure consistency. The platform bio-farming technology supports commercial growing of plant cells in liquid media in specific tailor made bioreactors. The technology mirrors nature without any solvent extraction, genetic modification or synthetic molecular processing. The products of the bio-farming process contain a high concentration of plant phytochemicals (the health beneficial compounds) in their natural state ensuring optimal bioavailability and efficacy. The process can isolate specific compounds that are produced in a high level by the cells. The technology is protected by six patents in the USA, Japan, Europe and Israel. Six additional patents are in process. Bioharvest has expended approximately \$15,000,000 US to develop the Bioharvest Technology and is currently using the technology for commercial production of resveratrol and other healthy compounds found in grapes. Cannabis is ideally suited for the Bioharvest Technology as it contains a large number of different active chemical compounds known as cannabinoids that are produced only in the cannabis plant including THC and CBD. Once adapted to Cannabis products it would potentially allow establishment of a facility with less than 50% of the cost of conventional whole plant growing methods.

Licensing Agreement

Under the terms of the Licensing Agreement, Bioharvest will grant the Proposed Subsidiary an exclusive worldwide license to utilize, including the right to sublicense, the Bioharvest Technology for Cannabis products. The consideration for the License is as follows:

1. The issuance by the Proposed Subsidiary of 900,000 ordinary shares of the Proposed Subsidiary to Bioharvest, which shares form part of the 1,000,000 shares of the Proposed Subsidiary to be acquired by Midnight Star under the Share Purchase Agreement;
2. The payment by the Proposed Subsidiary of \$160,000 US in 16 equal monthly installments of \$10,000 commencing on the closing of the Licensing Agreement, which fee will be credited against future royalties if payable;
3. A payment of a milestone payment of \$840,000 US on the beginning of construction by the Proposed Subsidiary or by its Affiliate or any sublicensee of the first manufacturing facility, in six equal installments of \$140,000 US, which fee will be credited against future royalties if payable;
4. The payment of royalties or 12% of net sales of licensed products by Midnight Star, its affiliates or any sublicensees, and 12% of any sublicensing proceeds that may be received by Midnight Star, its affiliates or any sublicensees.

Services Agreement

Under the terms of the Services Agreement Bioharvest will perform certain limited research, development and commercialization of the Bioharvest Technology for the field of cannabis including providing (by utilizing the budget below) the equipment, materials, facilities and personnel. The initial period of the services shall be 16 months from closing of the Acquisition under a budget calling for total expenditures by Midnight Star of \$1,538,476 US. Further

expenditures may be required if the objectives of the program are not met within the 16 month period. The objective of the program is to establish cannabis plant derived cell clones producing the relevant secondary metabolites (THC, CBC and terpenes), establishment of a stably small-scale growing plant cell suspension culture producing the secondary metabolites in adequate and stable amounts, and optimally establishing plant cells grown in suspension with THC or CBD or terpenes with the desired levels.

Private Placement

In connection with the Acquisition Midnight Star will complete a private placement of up to 22,000,000 Units at \$0.15 per unit for proceeds of \$3,300,000 Cdn. Each unit will consist of one common share and one non-transferable share purchase warrant ("Investor Warrant"), with each Investor Warrant exercisable to purchase an additional common share at a price of \$0.23 per share for a period of two years from closing. Midnight Star will pay commissions to duly licensed brokers or investment bankers and to finders (where permitted by law) equal to 5% of the selling price and 5% warrants exercisable at the same price and on the same terms as the Investor Warrant included in the units. Such fees do not dilute the 50% that are to be issued to Bio Harvest nor included within the \$2,000,000 minimum cash condition.

The proceeds of the private placement will be used to fund Midnight Star's and Proposed Subsidiary's respective obligations under the Acquisition Agreement, License Agreement and Services Agreement and for general corporate purposes.

Appointment of Directors

Under the terms of the Acquisition Agreement the board of directors of Midnight Star will consist of six persons with half the Board to be nominated by Bioharvest. The following persons have been nominated by Bioharvest:

Dr. Zaki Rakib, Ph.D., serves as the Co-Founder and Executive Chairman of Bioharvest Ltd. He has extensive experience within the software, telecommunications hardware, semiconductors, cellular operations and bioscience categories, where he has spearheaded the development of multiple cutting-edge innovations. Leveraging his foundation in technical sciences, Dr. Rakib was one of the first leaders in the telecommunications industry after Midnight Star he co-founded Terayon Communication Systems, invented the first cable modem, and S-CDMA technology. Dr. Rakib holds Bachelor of Science, Master of Science, and Ph.D. degrees in Engineering from Ben-Gurion University in Israel.

Mrs Vivien Rakib holds a B.Sc in Math and computer science. She had extensive experience in S/W development for fortune 100 companies primarily in Silicon Valley California including Sun Microsystems and Phillips semiconductors. Mrs. Rakib is an investor in high-tech and in biotech. Most noteworthy are Shaker (where she also served as a board member) who was acquired by Play-Studios and Bioharvest where she is currently the largest shareholder and a board member. Mrs Rakib also serves on the board of 2 NGO's.

Initially at closing, the capacity of the Board is four members and the above two persons will be appointed with a third member to be appointed at the next general meeting of Midnight Star after the board capacity is increased to six members. In addition, Midnight Star will appoint Liron Carmel as a director Midnight Star. Mr. Carmel is a businessman based in Israel with experience in management of technology companies. He is currently the Chairman of Smart Energy Solutions Inc. and is a former Chairman of Emerald Medical Applications Corp. It is anticipated

the current directors Shane Epp and Bernie Hoing will resign to make room for the appointments. David Ryan will continue as a director of Midnight Star. In addition, Mr. Epp and Mr. Ryan will transfer a total of 525,000 escrowed shares of Midnight Star to Mr. Carmel for nominal consideration of \$0.01 per share.

Director and Employee Options

Concurrent with closing Midnight Star will grant director and/or employee options equal to 10% of the number of shares outstanding immediately following closing to the directors and employees of Bioharvest who will be involved in providing the services under the Services Agreement. The options will be exercisable for a period of ten years from closing (subject to early termination upon customary events that will be set forth in the plan) at a price of \$0.20 per share and shall vest during 2 years after closing on a quarterly basis.

Midnight Star Ventures Corp.

David Ryan
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Forward-Looking Statements Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management's current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. Midnight Star cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Midnight Star's control. Such factors include, among other things, risks and uncertainties relating to the fact that any or all of the private placement will be completed and risks associated with technology development. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, Midnight Star undertakes no obligation to publicly update or revise forward-looking information.

Neither Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.
