

## **IRONWOOD CAPITAL CORP. ANNOUNCES PROPOSED QUALIFYING TRANSACTION WITH 152 TECH SOLUTIONS**

**Vancouver, B.C. – December 13, 2019 – Ironwood Capital Corp.** (“Ironwood” or the “Company”) (TSXV: IRN.P) is pleased to announce that it has entered into a non-binding letter of intent (the “LOI”) dated December 6, 2019 respecting the proposed acquisition by Ironwood of 1Five2 Tech Solutions Ltd. (“152 Tech”) (the “Transaction”). Under the LOI, Ironwood and 152 Tech have agreed to act in good faith to draft, negotiate and execute a definitive acquisition agreement and amalgamation agreement (collectively, the “Definitive Agreement”) respecting the Transaction. The Transaction is intended to qualify as Ironwood’s “Qualifying Transaction” as defined by Policy 2.4 of the TSX Venture Exchange (the “Exchange”).

Trading of the common shares of Ironwood will remain halted in connection with the dissemination of this news release and will recommence at such time as the Exchange may determine, having regard to the completion of certain requirements pursuant to Exchange Policy 2.4. Further details of the proposed Transaction will follow in future news releases.

### **About 152 Tech Solutions**

152 Tech was founded to create smart retail solutions for highly regulated industries. The company creates simple platforms that are easy to operate and maintain; providing secure business data all in one location. 152 Tech’s priority is to eliminate transitional data loss and to provide simple overviews for maximum growth potential. The company develops human friendly digital platforms that will streamline business processes, reduce wait times, and improve the overall customer experience. 152 Tech is incorporated under the *Business Corporations Act* (British Columbia), all of its assets are located in British Columbia, and its financial year end is December 31.

### **The Transaction**

The Transaction is expected to proceed by way of a “three-cornered amalgamation” under which a wholly-owned subsidiary of Ironwood will amalgamate with 152 Tech pursuant to the *Business Corporations Act* (British Columbia). The final structure of the Transaction is subject to the receipt of tax, corporate and securities law advice for both Ironwood and 152 Tech. Under the Transaction, shareholders of 152 Tech will receive an aggregate of 30,200,000 common shares of Ironwood at a deemed price of \$0.25 per share, representing aggregate consideration of \$7,550,000 for their 152 Tech shares. The Transaction is subject to completion of certain conditions precedent, including without limitation: execution of the Definitive Agreement; the preparation and filing of a Filing Statement with the Exchange; completion by Ironwood of a private placement (the “Private Placement”) for gross proceeds of no less than \$1,500,000; completion of satisfactory mutual due diligence by the parties; receipt of required shareholder approvals; and receipt of all necessary regulatory and Exchange approvals. The Company will not pay any finder’s fees in connection with the Transaction, other than any finder’s or broker’s fees that may be payable by the Company under the Private Placement.

Under the Private Placement, Ironwood will raise gross proceeds of no less than \$1,500,000 through the issuance of units (each, a “Unit”) at a price of \$0.25 per Unit, with each Unit comprised of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable for an Ironwood common share at an exercise price of \$0.50 for two years from the date of issuance. The Company anticipates the Private Placement being a brokered financing and is in the process of engaging a broker or brokers. The Company may pay finder’s or broker’s fees and may issue finder’s or broker’s warrants in connection with the Private Placement. The Company will provide further updates respecting the Private Placement when available.

In conjunction with the closing of the Transaction, Ironwood will change its name to “152 Tech Solutions Ltd.”, or such similar name as is agreed to by the parties (the “Resulting Issuer”). On closing of the Transaction, and assuming that Ironwood raises \$1,500,000 under the Private Placement at a price of \$0.25 per Unit, the Resulting Issuer will have 39,762,001 common shares issued and outstanding. The current shareholders of Ironwood would hold approximately 8.96% of the shares of the Resulting Issuer, participants in the Private Placement would hold approximately 15.09% of the shares of the Resulting Issuer, and the current shareholders of 152 Tech would hold approximately 75.95% of the shares of the Resulting Issuer.

The Transaction will not constitute a “Non-Arm’s Length Qualifying Transaction” (as such term is defined by the Exchange). In addition, the Transaction is not a “related party transaction” as such term is defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and is not subject to Policy 5.9 of the Exchange. As a result, no meeting of the shareholders of Ironwood is required pursuant to Policy 2.4 of the Exchange, applicable securities laws or applicable corporate laws.

Sponsorship of a Qualifying Transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies. Ironwood intends to apply for an exemption from the sponsorship requirements under subsection 3.4(a)(ii) of Exchange Policy 2.2; however, there is no assurance that Ironwood will receive this exemption.

In conjunction with the execution of the LOI, Ironwood has provided 152 Tech with a loan in the amount of \$25,000 and was required to ensure the preservation of 152 Tech’s assets. The loan is unsecured, bears interest at 6% per year, compounded monthly, and is repayable on the earlier of: (a) December 4, 2020; and (b) the date which is 90 days after the date on which the LOI is terminated for any reason other than the execution of the Definitive Agreement.

The LOI also provides that Ironwood and 152 Tech will in good faith negotiate, draft and execute a loan agreement (the “Loan Agreement”) under which Ironwood will make a loan (the “Secured Loan”) to 152 Tech under the following terms: Ironwood will provide a line of credit loan of up to \$225,000 to 152 Tech to be used by 152 Tech for purposes agreed to in writing by the parties; the Secured Loan will be secured against all of the assets of 152 Tech; the Secured Loan will bear interest at 6% per year, compounded monthly; and the Secured Loan will be repayable on or before the earlier of: (a) December 4, 2020; and (b) the date which is 90 days after the date on which the LOI is terminated for any reason other than the execution of the Definitive Agreement. The Secured Loan and the Loan Agreement is subject to Exchange approval.

### **The Resulting Issuer**

In conjunction with the closing of the Transaction, Ironwood will change its name to “152 Tech Solutions Ltd.”, or such other name as is agreed to by the parties. The Resulting Issuer is expected to be an Industrial/Technology/Life Sciences issuer under the policies of the Exchange.

Concurrent with the completion of the Transaction, the board of directors of Ironwood will be reconstituted and at closing will be comprised of at least four directors, including two incumbent directors of Ironwood, Luke Montaine and Nicholas Houghton, as well as two nominees put forth by 152 Tech, being Shaun Saini and Sim Virk. Mr. Saini will also be appointed as Chief Executive Officer of the Resulting Issuer, and prior to closing the parties will mutually determine the Chief Financial Officer of the Resulting Issuer.

Rachit (Shaun) Saini – CEO and Director

With over nine years of experience in the QSR industry owning/operating a health food chain and the last three years immersed in cannabis retail, Shaun is the Co-founder and CEO of 152 Tech. Shaun understands the immense value of knowing customers and their preferences. Through this lens, Shaun and his team are introducing to the market various software as a service (SAAS) products with an industry-centric approach. This harmonic design of retail technology has been coined by Saini as “MOS” (merchant operating systems).

Simran Virk – Director

Simran is the Co-Founder and Chief Operating Officer of 152 Tech. With a sharp focus on systems and data patterns, she spearheads the development process of new 152 Tech products. She has served as CEO of Clothing Manufacturer Julia Impex Ltd. (operating for 25+ years).

Luke Montaine – Director

Luke Montaine has been involved in the capital markets for over 15 years in various capacities including the roles of investment advisor, corporate development, corporate finance and has organized fund raising for many venture capital and private equity situations. After studying economics at the University of British Columbia, Mr. Montaine began his career as an investment advisor at Global Securities Corporation, a boutique securities and futures brokerage firm in Vancouver, British Columbia prior to being acquired by PI Financial Corp. Mr. Montaine has had extensive experience in structuring, financing and sourcing assets for various public and private companies. Mr. Montaine currently serves as CEO and director of Roadman Investments Corp. (TSX-V: LITT), in addition to acting as a director, CEO and CFO of the Company.

Nicholas Houghton - Director

Nicholas Houghton is a director of the Company and has worked several years in the private and public capital markets sector. Mr. Houghton has extensive experience in recognizing, delineating and financing business opportunities either through funding or mergers and acquisitions. Mr. Houghton has served on several company boards as director and Chairman, as well as serving as Vice President, President and CEO of several companies.

### **About Ironwood**

Ironwood is a capital pool company in accordance with Exchange Policy 2.4 and its principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

For additional information, please refer to the Company's disclosure record on SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Company as follows: Luke Montaine, CEO, at [lmontaine@icloud.com](mailto:lmontaine@icloud.com)

### **Cautionary Note**

Completion of the Transaction is subject to receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents, and approval of the shareholders of 152 Tech. Where applicable, the Transaction cannot close until the required approvals have been obtained. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that, except as disclosed in the continuous disclosure document containing full, true and plain disclosure regarding the Transaction, required to be filed with the securities regulatory authorities having jurisdiction over the affairs of the Company, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the common shares of the Company is presently halted and is expected to remain halted pending closing of the Transaction. While halted, the

common shares of the Company may only trade upon Exchange approval and the filing of required materials with the Exchange as contemplated by Exchange policy.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

### **Forward-Looking Information**

*Certain statements contained in this press release constitute “forward-looking information” as such term is defined in applicable Canadian securities legislation. The words “may”, “would”, “could”, “should”, “potential”, “will”, “seek”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions as they relate to Ironwood and 152 Tech, including, the completion of the Private Placement and the Qualifying Transaction, are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the companies’ current views and intentions with respect to future events, and current information available to them, and are subject to certain risks, uncertainties and assumptions, including, without limitation: the ability to obtain all requisite approvals for the Transaction and the Private Placement, the results of the business of 152 Tech; the estimation of capital requirements; the estimation of labour and operating costs; the timing and amount of future business expenditures; and the availability of necessary financing. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. Such factors include but are not limited to: changes in economic conditions or financial markets; increases in costs; litigation; legislative, environmental and other judicial, regulatory, political and competitive developments; and technological or operational difficulties. This list is not exhaustive of the factors that may affect forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information. Should any factor affect the companies in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the companies do not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and the companies undertake no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.*

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release in the United States. Such 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, accordingly, may not be offered or sold within the United States, or to or for the account or benefit of persons in the United States or “U.S. Persons”, as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.*

*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 news release.*

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