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dimensionfive

Dimension Five Technologies Inc. Announces Execution of Definitive Agreement for Acquisition of Aduro Energy Inc. and the Appointment of New Chief Financial Officer and Secretary

Acquisition will constitute a “fundamental change” under the policies of the CSE

Vancouver, BC, October 23, 2020 – **Dimension Five Technologies Inc. (CSE: DFT)** (the “Company” or “Dimension Five”) is pleased to announce that, further to its news release dated July 14, 2020, the Company has entered into a definitive securities exchange agreement dated October 22, 2020 (the “Agreement”) with Aduro Energy Inc. (“Aduro Energy”), a private company incorporated under the federal laws of Canada and all of the securityholders of Aduro Energy (the “Target Vendors”), whereby Dimension Five has agreed to acquire all of the issued and outstanding shares (the “Target Shares”) of Aduro Energy (the “Acquisition”).

The Acquisition, an arm’s length transaction, will constitute a “fundamental change” for the Company under the policies of the Canadian Securities Exchange (the “CSE”).

The Transaction

The Acquisition is structured as a securities exchange pursuant to which Dimension Five has agreed to purchase all of the shares of Aduro Energy from the Target Vendors, such that following closing of the Acquisition (the “Closing”) all of the Target Shares of Aduro Energy, which will represent all of the issued and outstanding securities of Aduro Energy, other than certain convertible promissory notes, as amended (the “Target Convertible Notes”), will be owned by Dimension Five.

In consideration for the Acquisition, the Company has agreed to, at Closing, allot and issue an aggregate of 40,000,000 common shares in the capital of Dimension Five (each, a “Consideration Share”) at a deemed price of \$0.05 per Consideration Share, to the Target Vendors, and also create and issue an aggregate of 80,000,000 special warrants (the “Special Warrants”), at a deemed price equal to the greater of (i) 0.65 times the volume weighted average trading price of the shares of the Company for the five trading days prior to their date of distribution, and (ii) \$0.05 (the “Purchaser Discounted Share Price”). The Special Warrants will be held in trust by a special warrant trustee (the “Special Warrant Trustee”) until distributed upon the achievement by the Company following completion of the Acquisition (the “Resulting Issuer”) of certain milestones in the development of Aduro Energy’s business (the “Milestones”) as set out in the Agreement.

The first Milestone (the “First Milestone”), which must be achieved within 2 years of the Closing, means the Resulting Issuer operating a pre-pilot reactor system (the “Show Room Unit”) capable of successfully demonstrating the obtaining of “product”, meaning lighter petroleum oil obtained by upgrading heavier petroleum feedstocks or its components, or deoxygenated hydrocarbons obtained from upgrading renewable oil feedstocks, or liquid hydrocarbons obtained by upgrading of certain plastic or rubber feedstocks (the “Product”), by application of the Aduro Energy technology (the “Technology”). The operation of the Show Room Unit to obtain Product by application of the Technology must be independently validated by Professor Paul Charpentier or such other independent third party agreed upon by the Company and Aduro Energy.

The second Milestone (the “Second Milestone”) requires achievement of any one or more of following additional business objectives within 4 years of Closing:

1. A completed financial transaction with an institution which clearly has the capacity to finance Aduro Energy’s majority owned commercial operation of a manufacturing plant producing Product for commercial sale;
2. Product produced by a manufacturing plant owned in part by Aduro Energy where Aduro Energy’s portion of the plant’s equity is at least \$2,000,000 greater than Aduro Energy’s investment;
3. A third party entering into a licence agreement with Aduro Energy in respect of the Technology which Aduro Energy and such third party estimate will generate at least \$5,000,000 in revenue for Aduro Energy over a three year period;
4. A third party equity investment in the Resulting Issuer of at least \$3,000,000 at a company pre-money valuation of \$40,000,000 or more;
5. The total market capitalization of the Resulting Issuer remaining at or above \$65,000,000 for 19 out of any 20 consecutive trading days;
6. The Resulting Issuer having completed a public offering or private placement raising at least \$4,000,000 at a minimum price per share of \$0.35, or a combination of grants, \$0.35 share offering and other financing transaction raising at least \$4,000,000; or
7. A third party enters into an agreement to acquire all of the issued and outstanding Resulting Issuer Shares at a minimum value of \$1.00 per share.

The Special Warrants, which will be divided equally into two classes (respectively, the “Class A Special Warrants” and the “Class B Special Warrants”), will be distributed by the Special Warrant Trustee upon achievement of the First Milestone, in the case of the Class A Special Warrants, to: (i) the holders of the Target Convertible Notes, in accordance with a formula (the “Special Warrants Formula”) set out in the Agreement to determine the number of Class A Special Warrants to be issued in exchange for each Target Convertible Note, and (ii) the Target Vendors pro rata in relation to their proportionate number of Consideration Shares. The Special Warrants Formula shall be equal to the principal amount plus unpaid interest under each Target Convertible Note divided by the Purchaser Discounted Share Price. The Class B Special Warrants will be distributed, on achievement of the First Milestone, to the Target Vendors pro rata in relation to their proportionate number of Consideration Shares. The Special Warrants will be exchanged for shares in the Resulting Issuer (the “Special Warrant Shares”) on a one-for-one basis on the occurrence of the First Milestone, in the case of the Class A Special Warrants, and on the occurrence of the Second Milestone, in the case of the Class B Special Warrants.

The Agreement includes a protection plan in respect of the First Milestone (the “First Milestone Protection Plan”), pursuant to which if within 3 months of completing the First Milestone the Resulting Issuer has not completed a financing (the “First Financing”) resulting in gross proceeds of at least \$2.5 million at a share price of at least \$0.18 per share, then a total of 9,708,000 common shares of the Resulting Issuer and/or options to acquire common shares of the Resulting Issuer (the “First Milestone Restricted Shares”), which are held by the Zimtu Capital Corp. (“Zimtu”) and/or its subsidiaries or affiliates (the “Zimtu Group”), will be purchased and cancelled by the Company for an aggregate amount of \$1.00, subject to a three month extension for additional closings of the First Financing, and subject to a formula for reduction of the number of First Milestone Restricted Shares to be purchased if less than \$2.5 million but more than \$1.25 million is raised in the First Financing, in which case the number of First Milestone Restricted Shares to be purchased is reduced in proportion to the amount actually raised. However, if the Resulting Issuer determines before a certain date that it does not need to raise

additional capital through issuances of securities requiring Zimtu to act as broker or finder, then no First Milestone Restricted Shares will be repurchased.

The Agreement also includes a protection plan in respect of the Second Milestone (the “Second Milestone Protection Plan”), pursuant to which if within 3 months of completing the Second Milestone the Resulting Issuer has not completed a second financing (the “Second Financing”) resulting in gross proceeds of \$4.5 million at a share price of at least \$0.30 per share, then (i) if any of the First Milestone Restricted Shares were purchased by the Resulting Issuer, 907,150 common shares of the Resulting Issuer and/or options to acquire common shares of the Resulting Issuer, which are held by the Zimtu Group, and (ii) if none of the First Milestone Restricted Shares have not been purchased by the Resulting Issuer, 6,307,000 common shares of the Resulting Issuer and/or options to acquire common shares of the Resulting Issuer (the “Second Milestone Restricted Shares”), which are held by the Zimtu Group, will be purchased and cancelled by the Resulting Issuer, subject to a three month extension to close the Second Financing in additional closings, and subject to formula for reduction of the number of Second Milestone Restricted Shares to be purchased if less than \$4.5 million but more than \$2.5 million is raised in the Second Financing, in which case the number of Second Milestone Restricted Shares to be purchased is reduced in proportion to the amount actually raised. However, if the Resulting Issuer determines before a certain date that it does not need to raise additional capital through issuances of securities requiring Zimtu to act as broker or finder, then no Second Milestone Restricted Shares will be repurchased.

In connection with and prior to the Closing of the Acquisition, the Company will advance an unsecured bridge loan in the amount of up to \$150,000 to Aduro Energy (the “Bridge Loan”). On Closing, the Bridge Loan will be deemed to be an inter-company loan. The proceeds of the Bridge Loan will be used by Aduro Energy for working capital to operate its business until completion of the Acquisition.

Conditions to the Acquisition

Completion of the Acquisition remains subject to a number of conditions including, among other things: completion by Aduro Energy and the Company of a satisfactory due diligence review of the other party, respectively; conditional approval of the CSE; approval of a majority of the shareholders of the Company in respect of the Transaction; the Company, Zimtu and each member of the Zimtu Group who owns any First Milestone Restricted Shares or Second Milestone Restricted Shares entering into an agreement (the “Restricted Share Agreement”) with respect to the First Milestone Protection Plan and the Second Milestone Protection Plan which will provide that Zimtu may choose the mix of shares/options to be purchased for cancellation thereunder; the Company having at least \$400,000 in net cash and cash equivalents (such amount subject to be reduced by any amounts advanced under the Bridge Loan in excess of \$100,000); and other conditions which are customary for transactions of this nature.

The issuance of the Consideration Shares and the Special Warrants, including the Special Warrant Shares to be issued in exchange for the Special Warrants, will be completed pursuant to available exemptions under applicable securities laws. Consideration Shares and Special Warrant Shares which are issued to any Related Party (as such term is defined in the policies of the CSE) of the Resulting Issuer will be subject to an escrow agreement (the “Escrow Agreement”), to be effective as of the Closing. The Escrow Agreement will provide, among other things, that all Consideration Shares and Special Warrant Shares held by Related Parties of the Resulting Issuer will be deposited into escrow with an escrow agent, to be determined by the Company and Aduro Energy, at the Closing (or upon achievement of the Milestones, in the case of the Special Warrant Shares) to be released from escrow as follows: 10% on the date of re-listing on the CSE (the “Re-Listing Date”); 15% on the date that is six months from the Re-Listing Date;

15% on the date that is 12 months from the Re-Listing Date; 15% on the date that is 18 months from the Re-Listing Date; 15% on the date that is 24 months from the Re-Listing Date; 15% on the date that is 30 months from the Re-Listing Date; and 15% on the date that is 36 months from the Re-Listing Date.

No finder's fee will be paid in connection with the Acquisition. Closing of the proposed Transaction is expected to be on or before December 31, 2020.

It is expected that, upon completion of the Acquisition, the former Target Vendors will own approximately 63% of the issued and outstanding common shares of the Resulting Issuer, excluding distribution and conversion of the Special Warrants.

Appointment of New Chief Financial Officer ("CFO") and Secretary

Further to its news release on October 1, 2020, the Company is also pleased to announce the appointment of Daniel Hejcman of Vancouver, BC as its new CFO and Secretary. Daniel Hejcman is an experienced CFO with over twenty years background in oversight, accounting, and business development with some of Canada's leading publicly-traded companies, such as WSP Global, KPMG, Reliance, and RBC Financial. Mr. Hejcman is known for his executive advisory, strategic planning, financial/accounting oversight, innovative ideas, capital raising, and team leadership. He is the President of PEAK CPA Ltd, an executive CFO advisory public practice and served as CFO for various companies, such as Risk Hansen Institute, Peter Kiewit, WSP Global, and go-to-public companies. He has a Chartered Accountant Designation (CPA, CA) articling with KPMG, Bachelor of Commerce (B.Comm) from University of Northern British Columbia, and Financial Planning Designation (PFP).

Resulting Issuer – Aduro Energy

The Company intends that, following the Closing of the Acquisition, the Resulting Issuer will adopt and carry on the business of Aduro Energy and change its name to Aduro Energy Inc. or another name as the parties may reasonably agree upon and is acceptable to the CSE.

In connection with the Closing, the Company has agreed to cause the Resulting Issuer board of directors (the "Resulting Issuer Board") to be reconstituted to consist of five (5) directors, two (2) of which will be David Hodge and Chris Parr, current directors of Dimension Five, as nominees of the Company, and three (3) of which will be nominees of Aduro Energy, including the Ofer Vicus, the principal vendor of the Aduro Energy, provided that each nominee for the Resulting Issuer Board is eligible to serve as a director of the Resulting Issuer under applicable laws and is acceptable to the CSE.

On completion of the Acquisition, the current officers of Dimension Five who will not be officers of the Resulting Issuer shall resign, without payment or liability to Dimension Five or Aduro Energy, subject to their receiving and providing customary releases acceptable to them. The officers of the Resulting Issuer will be reconstituted to consist of Ofer Vicus as Chief Executive Officer, Marcus Trygstad as Chief Technology Officer, and Daniel Hejcman as Chief Financial Officer and Secretary.

About Dimension Five

Dimension Five is based in Vancouver, British Columbia, Canada. Prior to completion of the Transaction, the Company has been developing a new investing platform that helps to connect early stage companies with investors. Following completion of the Acquisition, the business of Dimension Five will be the

Aduro Energy business. Additional information on Dimension Five is available on the company's website at <http://www.dimensionfive.ca>.

Trading in Dimension Five Shares

Trading in the Company's Shares on the CSE was halted in connection with the news release on July 14, 2020 announcing the Letter of Intent in respect of the Transaction. Trading in the Shares will continue to remain halted pending the review of the Acquisition by the CSE and satisfaction of any conditions of the CSE for resumption of trading. It is likely that trading in the Company's Shares will not resume prior to the completion of the Acquisition.

None of the securities issued in connection with the Acquisition will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

For further information, please contact:

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Completion of the Acquisition is subject to a number of conditions, including CSE acceptance and Company shareholder approval. There can be no assurance that the Acquisition will be completed as proposed or at all.

Investors are cautioned that any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of Dimension Five should be considered highly speculative.

The CSE has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements in this news release include statements regarding: the proposed terms and date of Closing of the Acquisition; the consideration payable in connection with the Closing, including the distribution and conversion of the Special Warrants; the completion of certain business objectives for the achievement of the Milestones; the entry into and completion of the Restricted Share Agreement between the Company, Zimtu and each member of the Zimtu Group who owns First Milestone Restricted Shares and Second Milestone Restricted Shares; the achievement of the First Financing and Second Financing under the First

Milestone Protection Plan and Second Milestone Protection Plan; the terms of the proposed Bridge Loan and the expected use of proceeds thereof; the Company having at least \$400,000 in net cash and cash equivalents on Closing (such amount subject to be reduced by any amounts advanced under the Bridge Loan in excess of \$100,000); resale and escrow restrictions relating to the securities to be issued in connection with the Transaction; the business of the Resulting Issuer, the re-qualification for listing of the Resulting Issuer on the CSE, the proposed corporate name of the Resulting Issuer and the anticipated changes to the Resulting Issuer Board and the management of the Resulting Issuer in connection with the Closing. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements.

Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. Factors that could cause actual results or events to differ materially from current expectations include, among other things: that the CSE or shareholders of the Company may not approve the Acquisition as proposed or at all; that the parties may not be able to satisfy the other conditions to closing of the Acquisition; that the Resulting Issuer may not be able to meet the anticipated business objectives or otherwise achieve the First Milestone and/or the Second Milestone; that the Special Warrants may not be distributed to Target Noteholders or converted into shares of the Resulting Issuer; that the Company may not be able to get Zimtu or Zimtu Group members to enter into the Restricted Share Agreement and/or fulfill any respective obligations thereunder; that the Resulting Issuer may be unable to complete the First Financing and/or the Second Financing; that the Company may not be able to complete the Bridge Loan as proposed or at all; the Company having insufficient net cash and/or cash equivalents on Closing; general market conditions; factors related to the ongoing COVID-19 pandemic; and other factors beyond the control of the parties. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.