

Yukoterre Resources Enters Into Amalgamation Agreement With Psychedelics Company Silo Wellness

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TORONTO, Aug. 25, 2020 -- YUKOTERRE RESOURCES INC. (“**Yukoterre**”) (CSE:YT), is pleased to announce that further to the press release dated June 17, 2020, it has entered into an amalgamation agreement dated August 25, 2020 with FlyOverture Equity Inc., operating as Silo Wellness (“**Silo**”), and 1261466 BC Ltd. (“**Yukoterre Subco**”), a wholly-owned subsidiary of Yukoterre (the “**Amalgamation Agreement**”). Completion of the transactions contemplated in the Amalgamation Agreement will result in the reverse takeover of Yukoterre by Silo (the “**Proposed Transaction**”). The Proposed Transaction will constitute a “Fundamental Change” of Yukoterre, as defined by the policies of Canadian Securities Exchange (the “**CSE**”).

Overview of Silo

Silo, with an Oregon, Toronto, and Jamaica-based team, has been in the psychedelics and functional mushroom space since 2018 and ultimately formulated and announced a patent-pending psilocybin nasal spray in Jamaica in 2019. In addition to its IP portfolio, Silo is focusing on consumer product and wellness center/retreat brand development for psychedelic and functional mushrooms. Its go-to-market revenue strategy includes scaling its United States Silo Reboot brand of functional mushrooms (via www.SiloReboot.com), its magic mushroom cultivation in Jamaica, and its psychedelic retreat offerings in Jamaica (psilocybin) and Oregon ([ketamine-assisted psychotherapy wellness retreats](http://www.SiloRetreats.com)) (via www.SiloRetreats.com). Following the Proposed Transaction, the Resulting Issuer (defined below) will carry on the business of Silo, which Silo anticipates will involve continuing to grow its operations organically and strategically integrating complementary businesses to its operations.

The Proposed Transaction

Pursuant to the Amalgamation Agreement, Yukoterre and Silo will complete a three-cornered amalgamation in accordance with the provisions of the *Business Corporations Act* (British Columbia), which will involve Yukoterre Subco amalgamating with Silo to form a single, wholly-owned subsidiary of Silo Wellness Inc., the resulting issuer post-closing of the Proposed Transaction (the “**Resulting Issuer**”).

In connection with the Proposed Transaction, Yukoterre proposes to complete a consolidation of its issued and outstanding common shares on the basis of one half (0.50) of a post-Consolidation Yukoterre Share for every one (1) pre-Consolidation Yukoterre Share held, subject to the receipt of approval from its shareholders (the “**Consolidation**”). Yukoterre also intends to change its name to “Silo Wellness Inc.” (the “**Name Change**”) and to reconstitute its board of directors and management team as described below under “Proposed Management Team and Board of Directors of the Resulting Issuer.”

Pursuant to the Amalgamation Agreement, upon closing of the Proposed Transaction:

- The shareholders of Silo (the “**Silo Shareholders**”), other than the Silo Shareholders who exercise their dissent rights, will receive one common share of the Resulting Issuer for each Silo Share (as defined below) held;
- The Yukoterre Shareholders (as defined below), other than the Yukoterre Shareholders who exercise their dissent rights, will receive one common share of the Resulting Issuer for each Yukoterre Share held (post-Consolidation);
- All outstanding stock options of Yukoterre will be exchanged for stock options of the Resulting Issuer, on equivalent terms after having given effect to all of the transactions contemplated by the Proposed Transaction; and
- Silo will be a wholly-owned subsidiary of the Resulting Issuer.

Upon completion of the Proposed Transaction, assuming completion of the Consolidation and the Concurrent Financing (as defined below), former Silo Shareholders will hold, in the aggregate, approximately 35,066,730 common shares (the “**Resulting Issuer Shares**”) in the capital of the Resulting Issuer representing approximately 86.9% of the outstanding Resulting Issuer Shares and existing holders of Yukoterre Shares (the “**Yukoterre Shareholders**”) will hold, in the aggregate, approximately 5,260,270 Resulting Issuer Shares, representing approximately 13.1% of the outstanding Resulting Issuer Shares.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions, including but not limited to: (i) the approval of the listing of the Resulting Issuer Shares on the CSE; (ii) the disposition by Yukoterre of its mining assets; (iii) the approval of the Consolidation, the Amalgamation Agreement, the Name Change and the reconstitution of Yukoterre’s board of directors by the requisite majority of Yukoterre Shareholders; (iv) completion of the Concurrent Financing; (v) the approval of the Amalgamation by the requisite majority of Silo Shareholders; and (vi) other conditions customary for a transaction of this nature.

The parties anticipate that, upon satisfaction of the CSE’s initial listing requirements and approval by the CSE, the common shares of the Resulting Issuer will begin trading on the CSE following the closing of the Proposed Transaction. There is no guarantee that the Resulting Issuer will meet the listing requirements or that the CSE will approve the Resulting Issuer for listing.

The common shares of Yukoterre have been halted since June 17, 2020 and may remain halted until the completion of the

Proposed Transaction. There can be no assurance that the Proposed Transaction will be completed on the terms proposed or at all.

Summary of the Concurrent Financing

In connection with the Proposed Transaction, Silo plans to complete a “best-efforts” private placement of subscription receipts of Silo (the “**Subscription Receipts**”) to raise a minimum of \$2.5 million (the “**Concurrent Financing**”). The gross proceeds of the Concurrent Financing, less any cash commission and offering expenses, will be deposited in escrow on the closing date of the Concurrent Financing until the satisfaction of certain release conditions, including that all conditions precedent to the Proposed Transaction have been met (the “**Release Conditions**”).

Upon the satisfaction of the Release Conditions, each Subscription Receipt will be converted into one common share in the capital of Silo (a “**Silo Share**”) without payment of any additional consideration or further action on the part of the holder thereof. At the effective time of the Proposed Transaction, each Silo Share will be exchanged for one Resulting Issuer Share.

“We are excited to hit this key milestone on our way to a public listing,” said Jamaica based Silo Chief Executive Officer, Douglas Gordon. “Our team has worked diligently to get us to this point and we welcome the opportunity to develop the business in line with our operational objectives and our post-public growth strategy.”

Further Information

Further details about the Proposed Transaction and the Resulting Issuer will be provided in a CSE listing statement to be prepared and filed by Yukoterre in respect of the Proposed Transaction.

Investors are cautioned that, except as disclosed in the CSE listing statement (or other disclosure document prepared by Yukoterre) in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

The CSE has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release. All information contained in this news release with respect to Silo and Yukoterre was supplied by each party respectively for inclusion herein and each party has relied on the accuracy of such information without independent verification.

About Yukoterre

Yukoterre is engaged in the business of mineral exploration and the acquisition of mineral property assets in the Yukon Territory. Its objective is to locate and develop mineral properties of merit and to conduct its exploration program on the Division Mountain Property.

About Silo

The mission of Silo is to improve health and wellness by developing and introducing psychedelic medicine to reduce trauma and increase performance by destigmatizing the active compounds in psychedelics and innovating ease of administration and ingestion. Silo intends to introduce new, safe, and affordable alternatives to current medicines by facilitating entry into new and emerging markets where psychedelics are legal by conducting wellness retreats and elsewhere by manufacturing and distributing functional mushrooms.

Since inception, Silo’s activities have focused on: (1) development of an e-commerce online sales platform located at www.SiloReboot.com for legal functional mushroom tinctures; (2) establishment of supply chain, extraction, bottling, packaging, order fulfillment relationships and infrastructure for legal functional mushroom tinctures; (3) establishing an inventory of products to be sold online; (4) branding through viral organic social media coverage; (5) development and formulation of the psilocybin nasal spray; (6) managing IP related to its psilocybin nasal spray via the filing of provisional and non-provisional patent applications; (7) development of Jamaican psilocybin retreat infrastructure and online marketing platform for the same through www.SiloRetreats.com; and (8) development of a legal Ketamine-assisted psychotherapy nature retreat in the State of Oregon (<https://siloretreats.com/ketamine-retreat>).

Further Information

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “**forward-looking statements**”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the Concurrent Financing, the Proposed Transaction and the proposed annual general and special meeting of shareholders of Yukoterre and the items of business thereunder. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder or regulatory approvals. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release.

Readers should not place undue reliance on the forward-looking statements and information contained in this news release. Yukoterre assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities from Silo in the United States. The 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 may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.