

Silo Wellness Announces Portland-area Rural Oregon Psilocybin Service Center and Cultivation Real Estate Partner

Springfield, Oregon--(Newsfile Corp. - January 11, 2023) - [Silo Wellness](#) Inc. (CSE: SILO) (OTCQB: SILFF) (FSE: 3K7A) ("Silo Wellness" or the "Company") is pleased to announce that it has requested county approval for an Oregon psilocybin service center and psychedelic mushroom cultivation facility near the city of Portland. Land Use Compatibility Statement (LUCS) forms were filed with the county planning department. Execution of the LUCS by local government planners is a condition precedent for filing a psilocybin license application with the Oregon Health Authority and one of the biggest risk factors for rural retreat centers.

On December 6, 2022, the Company executed a binding term sheet with a well-financed property developer with a rural real estate holding within one hour of the Portland airport in a county that did not opt out of Ballot Measure 109 nor did the county yet adopt any new land use restrictions for psilocybin properties. To prevent any potential NIMBY problems, the Company is keeping the precise location confidential until such time when there are material announcements.

Material terms of the agreement are as follows: the parties intend to license and market a psilocybin service center and lodging at the site. The parties intend to create a joint venture entity with equal ownership interests to pursue and own any psilocybin licenses and to operate the property's psilocybin interests. The length of the term is five years unless the parties agree to terminate early. The parties further intend to negotiate purchase terms for the real estate or otherwise roll up the opportunities into a public deal.

The property has a number of older structures that have in the past been used in commercial endeavors, including overnight accommodations, yoga, and meditation workshops. The accommodations are simple and dorm-like with a majority of the rooms having community bathrooms. The property is currently zoned as rural residential. Consequently, the property's existing permits and prior use is contrary to many of the zoning regulations and "grandfathered" in as prior nonconforming use. However, there are no guarantees that the county will permit such activities in the future.

Given the substantial size of the property and the number of buildings present, the Company intends to submit at least two psilocybin service center applications and at least one cultivation license if the LUCS applications are successful. The company anticipates a lengthy process for receiving a LUCS decision. There is a substantial risk that the county does not approve the property for any licenses. Also, there is a risk that even if the county approves the property for psilocybin use, that it does not permit the Company to offer overnight accommodations on site, which could seriously compromise the commercial viability of the property.

Regardless, the price is right, and the risk is low for the company, as zero capital expenditures were required to secure the property. There is a risk of capital expenditures being necessary in the event there is an adverse ruling by the county and a specialized land use lawyer needs to be retained.

Fundraising for Oregon and Potential Dilution

The company intends to raise money for Oregon psilocybin operations under a separate subsidiary ("New Co") to be formed. This "New Co" will control Silo's ownership interests in the Oregon joint venture. It will also own any other Oregon assets if any other potential partnerships develop anything of value (i.e., licenses with other real estate partners or joint ventures with other operators). New Co will own half of the company seeking the Oregon licenses and operating in Oregon. The New Co will initially be owned 100% by Silo Wellness, Inc. as the founding shareholder. The Company will attempt to raise funds for the New Co and shares will be diluted into that new entity. Furthermore, the entity that would

own the licenses is expected to eventually raise money if licensing is successful, which would further dilute Silo's interests.

While the company does not intend to publicly solicit investors at this time for the Oregon enterprise, it will entertain offers first from established relationships giving priority consideration to any existing shareholders.

The Strategy for the Portland Metro Psilocybin Therapy Center Property

The strategy for this property would be to run a Silo Wellness-branded retreat center to capitalize on the earned media attention we have achieved as early movers in the market. Additionally, the Company intends to consider a focus on B2B operations by allowing licensed Oregon psilocybin facilitators to lease out the licensed premises as permitted by Oregon law.

Jackson County Psychedelic Ranch Update

The Company is still weighing its options regarding the New Frontier Ranch property following the County Commissioners prohibition of rural retreat centers. Given the new opportunity closer to Portland, the Company is not likely to fund litigation to attempt to enforce the prior non-conforming uses. The company is currently seeking potential licensees in the Medford and Ashland areas regarding a joint venture where service center clients are housed at the rural retreat property for non-psilocybin activities and transported to the urban setting for access to the medicine.

ABOUT SILO WELLNESS

Silo Wellness is a growth-oriented holding company focused on psychedelic opportunities that benefit from a unified ecosystem and exceptional leadership. Founded in 2018 in Oregon and headquartered in Toronto, Silo Wellness has a presence in both Jamaica and Oregon. Silo Wellness is a publicly traded on the Canadian (CSE: SILO) and Frankfurt (FSE: 3K7A) exchanges and listed on the OTCQB Venture Market (OTCQB: SILFF).

For more information about Silo Wellness or to book a Jamaican psychedelic retreat, please visit www.silowellness.com.

Silo Wellness Company Contact:

Mike Arnold, President
541-900-5871
IR at silo wellness dot com

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. Forward-looking information may relate to anticipated events or results including, but not limited to the ability of the Company to finalize definitive documents and close on any potential retreat center property partnership; the Company's ability to satisfy the Oregon licensing requirements and achieve a license in Oregon; the Company's ability to successfully launch an Oregon operation, including hiring of qualified staff and getting access to mushrooms to sustain operations; and the Company's ability to fund operations as well as the

company's pre-existing capital requirements and significant debt load. 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, regulatory, political and social uncertainties and the potential impact of COVID-19. Such risks and uncertainties include, among others, the risk factors included in Silo Wellness's continuous disclosure documents available on www.sedar.com. 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.

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

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.



SILO WELLNESS

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/151105>