

Silo Wellness Notified by OSC of Intent to Issue FFCTO; Silo Requests Reconsideration of MCTO

Springfield, Oregon--(Newsfile Corp. - March 4, 2023) - [Silo Wellness Inc.](#) (CSE: SILO) (OTCQB: SILFF) (FSE: 3K7A), announces an update on the recent decision of the Ontario Securities Commission ("OSC") to reject the Company's application for a Management Cease Trade Order ("MCTO"). On Friday, March 4, 2023, the OSC stated the following:

Thank you for these additional submissions. We have been in discussions with our Management who remain of the view that an MCTO is not appropriate in these circumstances. While we recognize the potential burden that an FFCTO would place on Silo Wellness, we continue to believe that an MCTO is not an appropriate regulatory response to Silo's default. This is to confirm that the OSC will be proceeding with an FFCTO imminently.

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If the default is able to be remedied within two weeks [as Silo's auditor has estimated], (i.e. within 90 days of the date of the FFCTO), the filing of the documents constitutes the application to revoke the FFCTO and no application fee is required under Appendix C of OSC Rule 13-502 Fees.

As previously disclosed, Silo requested a MCTO last week due to its impending failure to file its annual financial statements and related documents within the prescribed timeframe due to the auditors requesting a three-week extension. The first business day after the Company was aware of the impending delay, the Company requested a MCTO.

On February 28, 2023, the OSC rejected Silo's MCTO application. In response, Silo filed a request for reconsideration which was denied on March 3, 2023. Prior to the market opening Monday, the Company will request reconsideration due to the OSC's decision Friday to proceed with an FFCTO being inconsistent with established statutory maxims of construction, including the plain and ordinary meaning of the statute, the rule against absurdity, and *ejusdem generis*, and *expressio unius est exclusio alterius*. Furthermore, Silo respectfully contends that the imposition of an FFCTO for a technical default that can be remedied within a short period of time is disproportionate to any potential harm and would cause unnecessary hardship to the company and its shareholders.

Silo continues to contend that it has exercised reasonable diligence in applying for the MCTO under section 7 of National Policy 12-203 Management Cease Trade Orders ("NP 12-203"). The Company contends to the OSC that it has taken all necessary steps to prepare and file the required documents within the prescribed time frame, and any delay or default was determined after "reasonable diligence" and any delay was beyond the Company's control, despite its reasonable efforts to comply. The Company also provided a detailed remediation plan with a realistic timetable for remedying the default, as required by section 6 of NP 12-203.

Moreover, the Company contends that short delay requested in filing the annual financial statements and related documents is not directly relevant to the protection of investors or the orderly functioning of the market. Whether the MCTO application was submitted two weeks before the deadline or with only one day's notice of the delay a day before the deadline, the same remediation plan and alternative information guidelines would be required. The same bi-weekly default status reports would need to be issued. The same restrictions on insiders and employees buying securities would apply. The Company therefore respectfully argues that is nothing related to the timing that is logically connected to the denial of the MCTO and such a denial is arbitrary and capricious.

Additionally, given the size of the market cap and trading volume, the Company believes that financial

risk is relatively small for a new investor compared to larger companies, and the press releases regarding the delay in the audit is sufficient information to provide for *caveat emptor* in these circumstances. The Company therefore contends that an FFCTO is therefore excessive and an unnecessary impediment to an orderly market.

Nonetheless, Silo will continue to work closely with its auditors and the OSC to remediate the default and to ensure that it remains compliant with all regulatory requirements. The Company will provide updates to its shareholders and the market as appropriate.

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SILO WELLNESS

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