



April 14, 2023

Trading Symbol: YY

## News Release

### Yellow Stem to Consolidate its Share Capital

**Vancouver, British Columbia – Yellow Stem Tech Inc.** (CSE: YY) (“Yellow Stem” or the “Company”) announces that its Board of Directors has approved resolutions regarding a consolidation and debt settlement.

**Consolidation:** The Company’s outstanding common shares will be consolidated on the basis of two existing shares for one new share (the “Consolidation”). Currently, the Company’s authorized share capital is an unlimited number of common shares without par value, of which 52,201,501 shares are issued and outstanding, with a further 12,495,000 shares reserved for issuance upon the exercise of outstanding warrants. Upon completion of the Consolidation, there will be approximately 26,100,751 common shares issued and outstanding, subject to any shares being issued upon exercise of warrants prior to the effective date of the Consolidation and subject to adjustment for fractional shares. The Consolidation is subject to approval by the CSE. A subsequent news release will be issued prior to the date of implementing the Consolidation.

The Company does not intend to undergo a name change in conjunction with the Consolidation.

**Debt Settlement:** The Company also announces that it has arranged to settle certain outstanding debt with two insiders in the aggregate amount of \$452,270 through the issuance of up to 4,522,700 post-consolidated shares at a post-consolidated price of \$0.10 per share (the “Debt Settlement”).

The proposed Debt Settlement involves amounts owing to non-arm’s length parties, with \$415,520 owing to the Company’s CEO and \$36,750 owing to the CFO, as follows:

- (a) to the CEO: \$373,520 in funds advanced and \$42,000 in unpaid management fees over the last 14 months. The advances of \$373,520 have been outstanding since November 2021 and have been recognized in the Company’s audited statements as an unsecured non-interest bearing loan; and
- (b) the amount owing to the CFO represents unpaid management fees over a period of 14 months.

### ON BEHALF OF THE BOARD

*Signed “Robert Eadie”*

Robert Eadie, President, Chief Executive Officer and Director

FOR FURTHER INFORMATION PLEASE CONTACT:

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*Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. There is no assurance the Company will implement either or both of the Consolidation and Debt Settlement on the terms outlined above, or at all. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*