

# Leo Resources Inc announces letter of intent for proposed acquisition of cannabis patient counselling clinics and \$10M non-brokered private placement

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VANCOUVER, May 9, 2017 - [Leo Resources Inc.](#) (LEO:CSE; FSE: L00) ("Leo" or the "Company") has entered into a non-binding letter of intent (the "LOI") with Green Life Clinics Inc ("GLC") dated May 8, 2017, in respect of a proposed transaction pursuant to which GLC is expected to acquire [Leo Resources Inc.](#) by way of reverse takeover (the "Transaction") for a combination of cash and share consideration. The final structure of the Transaction has not yet been finalized and will be determined following receipt of tax, corporate and securities law advice for both Leo and GLC. Upon completion of the acquisition, the combined entity will continue to carry on the business of GLC.

## About GLC

GLC is incorporated under the laws of the Province of British Columbia which has entered into an LOI to acquire a private company which operates clinics and pavilions in the western provinces. GLC gathers information/leads by placing interactive lead generation pavilions in areas of high interest to cannabis users and health related clinics/offices. GLC then takes these interested parties to its affiliate clinic network assisting the parties in navigating through and accessing Canada's legal medical marijuana program by assisting in determining eligibility, completing medical forms, providing physician consultations and referring parties to appropriate licensed producers. GLC currently has 6 Clinics in its corporate network.

GLC is a business built around today's quickly changing legislative framework. It allows for the retention of not only medical users but also the recreational user base, when available, with its lead generation tools. It will allow for strong patients and consumer outreach to all consumers of cannabis making it appealing to future partners and licensed producers.

## Transaction

Pursuant to the terms of the LOI, Leo would acquire 100 per cent of the issued and outstanding securities of GLC in consideration of the payment of an aggregate \$5,000,000 in cash and issuance of 25 million common shares of the Company to the shareholders GLC.

## Financing

The Transaction is subject to the Company completing an equity financing (the "Financing") by way of a non-brokered private placement of units (the "Units") to raise aggregate gross proceeds of \$10-million at an intended price of 50 cents per Unit. The Company will also have an over-allotment option to place up to an additional 50% of the Financing. Each Unit will consist of one common share and one-half of one common share purchase warrant. Each full warrant will entitle the holder to purchase an additional common share at the price of 85 cents per share for a period of 12 months from the closing of the Transaction. In the event that Company's share prices closes at a price of \$1.40 per share for a period of 10 consecutive trading dates, the Company will have the option to provide notice to the warrant holders in writing or through press release to accelerate the term of the warrants to a period of 30 days following such notice. The Company may pay finders' fees in connection with the Financing. The net proceeds from the Financing will be used for the development of the business, potential acquisitions, and general working capital purposes.

## Conditions of the Transaction

The Transaction is subject to a number of conditions precedent, including, among other things, the negotiation and execution of a definitive agreement, due diligence, and receipt of all applicable regulatory approvals. Unless all of such conditions are satisfied or waived, to the extent they are capable of waiver, the

Transaction will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all.

### **Additional Information**

Further details regarding the proposed transactions and the combined entity will be provided in a comprehensive press release if and when the parties enter into a definitive agreement. For further information regarding the Company, see the Company's disclosure documents on SEDAR at [www.sedar.com](http://www.sedar.com)

LEO RESOURCES INC.

"Sam Chaudhry"  
Sam Chaudhry, CEO

**THE CSE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE.**

*This news release includes certain statements that may be deemed "forward-looking statements". The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "would", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this News Release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on [www.sedar.com](http://www.sedar.com)*

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