

Ross River Minerals Inc. to Acquire Innovate Phytotechnologies Inc.

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VANCOUVER, Aug. 08, 2018 - [Ross River Minerals Inc.](#) (TSX-V: RRM.H) (the "Company" or "Ross River"), a company listed on the NEX Board of the TSX Venture Exchange (the "TSXV"), is pleased to announce that it has signed an Amalgamation Agreement dated August 8, 2018 (the "Agreement") pursuant to which the Company will acquire (the "Proposed Transaction") all of the outstanding shares of Innovate Phytotechnologies Inc. ("Innovate"), a cutting-edge analytical research and development organization providing licensing and product development solutions in the cannabis, food, drug and health products sectors. Activities conducted by Innovate include: (1) conducting full spectrum regulatory consulting, product development, and analytical testing solutions; (2) conducting related pharma-like, good laboratory practices compliant research and development activities and intellectual property development; (3) applying to become a Licensed Producer of cannabis in Canada, (4) developing and marketing hemp-based natural health products, and (5) conducting pre-clinical and clinical studies in various industry sectors. It is intended that the combined company (the "Resulting Issuer") will be a multifaceted company engaged in various areas of the cannabis, food, drug and health products industries.

Summary of the Proposed Transaction

The Proposed Transaction will be effected by way of a three-cornered amalgamation without court approval under the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA"). Innovate will amalgamate with a newly incorporated wholly-owned subsidiary of the Company and will become a wholly-owned subsidiary of the Company on completion of the Proposed Transaction and the shareholders of Innovate will exchange their shares in Innovate for common shares of the Company. Upon completion of the Proposed Transaction, the Resulting Issuer will continue on with the business of Innovate.

The Resulting Issuer intends to voluntarily de-list its common shares from the NEX Board of the TSXV and apply for listing on the Canadian Securities Exchange (the "CSE"). In accordance with TSXV requirements, the Company will be seeking majority of the minority shareholder approval in connection with the de-listing.

Prior to the closing of the Proposed Transaction, Ross River will change its name to "Innovate PhytoTechnologies Inc.", or such other name as may be agreed upon the parties.

The Company currently has 8,575,999 common shares outstanding and share purchase warrants outstanding entitling the holders to purchase 4,824,999 common shares at a price of \$0.20 per common share on or before March 12, 2019.

The Company will issue the following securities in connection with the Proposed Transaction:

- to the shareholders of Innovate, 50,758,969 common shares and performance warrants entitling them to purchase up to 9,350,000 common shares at a price of \$0.02 per common share on or before March 31, 2023, provided that the Resulting Issuer and its affiliates achieve certain sales revenue and market capitalization targets;
- an aggregate of approximately 14,285,714 common shares pursuant to the automatic conversion of convertible notes to be issued in connection with a private placement financing to raise gross proceeds of approximately \$5,000,000 to be completed following entering into of the Agreement, being a conversion price of \$0.35 of convertible note principal for each common share of the Company (the "Note Financing"); and
- an aggregate of approximately 6,666,666 common shares pursuant to a private placement financing for gross proceeds of \$5,000,000 to be completed concurrently with closing of the Proposed Transaction (the "Concurrent Financing");
- outstanding share purchase warrants of Innovate entitling the holders to purchase up to 10,758,969 common shares at a price of \$0.30 per common share will be exercisable for common shares of the Resulting Issuer on a one for one basis; and
- an aggregate of 1,000,000 common shares as a finders' fee to parties at arms-length to the Company.

In relation to both the Note Financing and the Concurrent Financing, the Company may pay finder's fees to certain parties in accordance with applicable laws.

On closing of the Proposed Transaction and the financings, it is anticipated that there will be approximately 102,287,350 common shares of the Resulting Issuer issued and outstanding (129,887,986 common shares on a fully diluted basis). Certain of the common shares issued by Ross River pursuant to the Proposed Transaction will be subject to restrictions on resale or escrow under the policies of the CSE or applied on a contractual basis.

Additional information concerning the Proposed Transaction will be disclosed in a subsequent news release, including information in respect of the proposed directors and officers of the Resulting Issuer once available.

Conditions to the Proposed Transaction

The completion of the Proposed Transaction remains subject to a number of terms and conditions, including, among other things:

- completion of the Note Financing and Concurrent Financing;
- each of Innovate and the Company having received all required shareholder approvals;
- the Proposed Transaction being effective on or prior to December 31, 2018;
- each of the parties obtaining all necessary consents, orders and regulatory approvals, including conditional listing approval of the CSE;
- dissent rights not having been exercised by greater than 5% of the shareholders of each of Innovate;
- no material change occurring to the business of each of the parties;
- the satisfaction of obligations under the Amalgamation Agreement relating to each of the parties; and
- the delivery by each of the parties of customary closing documents.

The common shares of the Company were halted effective August 8, 2018 and are not expected to recommence trading on the TSXV prior to delisting in connection with the completion of the Proposed Transaction. The Proposed Transaction is anticipated to close on or before November 30, 2018. The Proposed Transaction is an arms-length transaction.

About Innovate

Innovate was incorporated under the BCBCA and has offices in Vancouver and Kelowna, British Columbia. Innovate's wholly-owned subsidiary, Innovate Phytoceuticals Inc., offers regulatory and product development services in the natural health products, foods, cosmetics, pest control products, and cannabis sectors. Through its wholly-owned subsidiary, PhytoMatrix Natural Technologies Inc., Innovate is also engaged in the development of hemp-based natural health products, and is currently applying to become a Licensed Producer pursuant to Canada's Access to Cannabis for Medical Purposes Regulations. Through its wholly-owned subsidiary, NHP Licensing Solutions Ltd. ("NHP"), Innovate offers regulatory consulting services ranging from advising on initial product concepts, developing a commercial product, and negotiating regulatory requirements with governmental agencies. NHP assists companies in navigating the regulatory framework to ensure compliance with numerous acts and regulations, including those administered by Health Canada and the United States Food and Drug Administration. Through its wholly-owned subsidiary, Innovate Clinical Centres Inc., Innovate intends to conduct clinical studies for the medical cannabis, pharmaceutical and bio-technology industries.

About Ross River

Ross River is currently listed on the NEX Board of the TSXV. Management of the Company has been actively engaged in assessing possible projects with a view to completing an acquisition.

For further information please contact Alex Klenman at (604) 638-8063.

ON BEHALF OF THE BOARD

(signed) "Alex Klenman"
Alex Klenman, CEO and Director

Neither TSXV nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

Completion of the Proposed Transaction is subject to a number of conditions. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the CSE Listing Statement to be prepared 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. Trading in the securities of the company should be considered highly speculative.

Neither the TSXV nor the CSE has in any way passed upon the merits of the Proposed Transaction and have neither approved nor disapproved the contents of this press release.

All information contained in this news release with respect to Ross River and Innovate was supplied by the parties, respectively, for inclusion herein, and Ross River and its directors and officers have relied on Innovate for any information concerning Innovate.

This news release contains forward-looking statements relating to the timing and completion of the Proposed Transaction, the future operations of the Company, Innovate, and the Resulting Issuer and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding the Proposed Transaction and the future plans and objectives of the Company, Innovate and the Resulting Issuer are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the expectations of the Company, Innovate, and the Resulting Issuer include the failure to satisfy the conditions to completion of the Proposed Transaction set forth above and other risks detailed from time to time in the filings made by the Company, Innovate and the Resulting Issuer under securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, Innovate and the Resulting Issuer. As a result, the Company, Innovate and the Resulting Issuer cannot guarantee that the Proposed Transaction will be completed on the terms and within the time disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company, Innovate and the Resulting Issuer will update or revise publicly any of the included forward-looking statements as expressly required by Canadian securities law.

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