

# Clean Commodities Corp. Executes Binding Letter of Intent to Acquire Licensed Hemp-Producer Pacific North Hemp Inc.

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## Company to Pursue CBD-Focused Business

VANCOUVER, May 13, 2019 - [Clean Commodities Corp.](#) (TSX VENTURE: CLE) ("Clean Commodities" or the "Corporation") pleased to announce that it has entered into a binding letter of intent dated as May 9, 2019 to acquire Pacific North Hemp Inc. ("Pacific North Hemp") by way of share purchase agreement (the "Transaction"). Clean Commodities and Pacific North Hemp intend to negotiate and execute a definitive agreement (the "Definitive Agreement") respecting the Transaction. The Transaction is an arm's-length transaction.

## The Transaction

Under the Transaction, the Corporation intends to issue to shareholders of Pacific North Hemp a total of 50 million common shares of Clean Commodities which will be subject to customary escrow and statutory hold periods (the "Share Consideration"). Based on 102,448,746 common shares of the Corporation currently outstanding as of the date of this announcement, the resulting issuer (the "Resulting Issuer") would be majority held by incumbent shareholders of the Corporation at approximately 67.2% and approximately 32.8% as to incoming shareholders of Pacific North Hemp. Following closing, the outstanding shares and options of the Corporation will represent warrants and options of the Resulting Issuer.

In conjunction with Pacific North Hemp's 2019 crop planting season, Pacific North Hemp recently entered into an arm's-length secured bridge loan facility in the amount of \$250,000 (the "Crop Planting Loan") bearing an interest rate of 12%. The Corporation intends to acquire the Crop Planting Loan prior to closing of the Transaction (the "Crop Planting Loan Repayment"). The Corporation's intention with the Crop Planting Loan Repayment would be to securitize the licenses and crop assets of Pacific North Hemp in favour of the Resulting Issuer, reduce pro-forma interest incurred by the Resulting Issuer and to enable the Resulting Issuer to recognize crop revenue from Pacific North Hemp's deployment of the Crop Planting Loan for its 2019 growing season.

Further to the Corporation's interim financial statements for the period ending March 31, 2019 and as filed on SEDAR, Clean Commodities reported a positive net working capital position of \$1,630,254, which shall be used to advance near-term initiatives of the Resulting Issuer and fund the Crop Planting Loan Repayment.

Clean Commodities does not intend to open a financing in conjunction with closing of the Transaction.

Clean Commodities does not intend to consolidate or subdivide its common shares in conjunction with closing of the Transaction.

On closing of the Transaction, it is anticipated that the Corporation will re-brand as Pacific North Hemp and will carry on the development of Pacific North Hemp's business, more particularly described as set out below.

Subsequent to closing of the Transaction, the Corporation intends to examine the potential for a sale of its current mining assets with proceeds redeployed in its hemp/CBD business and/or the distribution of those mining assets to shareholders by way of a spin-co. There can be no assurance relating to the future sale or distribution of the Corporation's mining assets.

The completion of the Transaction is subject to various normal-course conditions precedent, including, but not limited to, the execution of the Definitive Agreement, the completion of satisfactory due diligence, and the approval of the Transaction by the TSX Venture Exchange (the "Exchange"). Pursuant to section 4.1 of Exchange Policy 5.2, the Corporation is not required to obtain and will not be obtaining shareholder approval of the Transaction, as: (a) the Transaction is not a related party transaction; (b) the Corporation is without active operations; (c) the Corporation is not and will not be subject to a cease trade order.

not otherwise be suspended from trading on completion of the Transaction; and (d) shareholder approval of the Transaction required under applicable corporate or securities laws.

#### About Pacific North Hemp Inc.

Founded in June 2018, Pacific North Hemp is a Health Canada-licensed producer of industrial hemp with farm facilities in Alberta and British Columbia. Through a research farm in British Columbia, Pacific North Hemp intends to engage in product development and CBD cultivar development.

#### Conrich, Alberta - Hemp Farm (Production)(the "Conrich Facility")

The Conrich Facility is a 200+-acre industrial farm location held on a leased-basis, with renewal rights. Pacific North Hemp is targeting 2019 production at the Conrich Facility of 63,750 pounds of dried flower with a concentration of 4%+ CBD.

#### Kamloops, British Columbia - Hemp Farm (Production/R&D)(the "Kamloops Facility")

The Kamloops Facility is a 20-acre farm held on a lease-basis, with renewal rights. The location is focused on seedling development, cultivar development and experimentation and specialized fiber production. Pacific North Hemp is targeting 2019 production at the Kamloops Facility of 8,500 pounds of dried flower with a concentration of 4%+ CBD.

Pacific North Hemp currently holds two Health Canada licenses permitting the plantation, cultivation and harvesting of industrial hemp. The licenses are in the process of being renewed, and it is a condition of closing the Transaction that the licenses have been renewed prior to their expiration on June 30, 2019. The company is examining options to consolidate these licenses into a single company-wide operating license.

In addition, Pacific North Hemp holds an inventory of hemp seeds.

Pacific North Hemp is a private company incorporated under the laws of British Columbia, and has a head office in Coquitlam, British Columbia.

#### Proposed Directors and Officers of the Resulting Issuer

There are no proposed changes to the Corporation's Board of Directors in conjunction with the Transaction.

There are no proposed changes of the Chief Executive Officer or Chief Financial Officer of the Corporation in conjunction with the Transaction.

Upon closing of the Transaction, the Company intends to appoint two new additional executive officers to contribute to the management and business development of the Resulting Issuer.

#### Mr. Robert Maciak, M.Sc. &#8211; Chief Operating Officer (Proposed)

Mr. Maciak is the Founder and CEO of Pacific North Hemp Inc. He brings over a dozen years of progressive corporate and government experience in the agricultural and natural resources sectors. Mr. Maciak was employed at Canada's Ministry of Agriculture for six years as Senior Research Scientist and Policy Economist. He also held project development roles at International, [NexGen Energy Ltd.](#) and [Victoria Gold Corp.](#) Mr. Maciak holds a B.A. (Hydrology and Natural Resource Management) and a Master of Science (Economics).

#### Dr. Ellie Rahmani, Ph.D., PharmD, RPh &#8211; Chief Science Officer (Proposed)

Dr. Rahmani is an accomplished executive with significant experience in the North American pharmacy sector and currently serves as Vice President and Chief Scientific Officer at Transderma Pharmaceuticals Inc., and as a clinical instructor at

University of British Columbia. Previous experience includes four years as Director of Pharmacy Operations for Rexall, years as Vice President of Pharmacy Operations for a private retail chain. Her research and professional expertise focus on industrial pharmacy and topical/transdermal drug delivery systems, including Cannabinoid delivery systems, pharmaceutical compounding, and functional medicine. Dr. Rahmani holds a Ph.D. from the University of British Columbia and a Pharm.D. from Tehran University. She is a registered pharmacist in Canada in good-standing with the Canadian Pharmacists Association.

## Change of Business & Trading Halt

The Transaction is expected to constitute a Change of Business as that term is defined under the policies of the Exchange. Pursuant to same, the Corporation intends to seek a change to its issuer classification from the current Exploration & Mining classification (Tier 2) to that of a Life Sciences classification (Tier 2). As such, the shares of the Corporation are expected to remain halted until completion of the Transaction or until satisfactory documentation is filed with the Exchange. Additional information about the Transaction will be provided by way of future news release and through company filings on SEDAR.

Completion of the transaction is subject to a number of conditions, including but not limited to Exchange acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate, complete and should not be relied upon. Trading in the securities of [Clean Commodities Corp.](#) should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

## About Clean Commodities Corp.

[Clean Commodities Corp.](#) (TSXV:CLE) is an exploration company involved in a diverse portfolio of clean commodity assets including lithium and uranium projects. For more information, please visit [www.cleancommodities.com](http://www.cleancommodities.com).

Signed,

Ryan Kalt, Chief Executive Officer

## Forward-Looking Statements

This news release contains forward-looking statements. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently expected or anticipated in such statements.

## Contact

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