

# GQ Executes Definitive Agreement to Acquire 1184700 BC Ltd.

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VANCOUVER, Nov. 25, 2019 - [Great Quest Fertilizer Ltd.](#) (TSXV:GQ) (the "Company") is pleased to announce, further to its press releases of September 13, 2018 and December 18, 2018, that it has now entered into non-arm's length binding agreement (the "Definitive Agreement") pursuant to which it will acquire all of the issued and outstanding shares of 1184700 BC Ltd. ("Privco") (the "COB Transaction"). Privco is a private company incorporated in British Columbia and is the beneficial shareholder of 80% of the issued shares of Ivoirienne de Noix de Cajou SA (INCAJOU). The remaining 20% is owned by an arm's length local partner. Upon the completion of the COB Transaction, the Company will continue the business of INCAJOU. The COB Transaction will constitute a "Change of Business" transaction pursuant to Policy 5.2 – Changes of Business and Reverse Takeovers ("Policy 5.2") of the TSX Venture Exchange (the "Exchange").

## Background and Information About 1184700 BC Ltd.

On October 2, 2018, the Company announced that it had entered into an agreement (the "INCAJOU Share Purchase Agreement") to acquire all of the issued shares of INCAJOU. (see our news release of October 2, 2018). The transaction was required to close in 2018. As the transaction constituted a Change of Business under Exchange policies, which required, among other things, shareholder and Exchange approval, management of the Company realized that there was insufficient time to obtain all necessary approvals and close the transaction prior to the end of 2018. Notwithstanding the timing issues, the Company did not wish to lose the opportunity to acquire INCAJOU. Consequently, Privco was incorporated on October 29, 2018 with Mr. Bruce McKean, a director of the Company, as its sole shareholder. Privco has two directors, Jed Richardson and David Shaw. Mr. Richardson is the CEO and a director of the Company and Mr. Shaw is a non-executive director of the Company.

In November 2018, the Company transferred its rights under the INCAJOU Share Purchase Agreement to Privco by way of a novation agreement which required that Privco's shares or assets be sold to the Company once it has received of all necessary approvals to permit it to acquire Privco (see our news release of December 18, 2018 for further details). In late 2018, Privco completed the acquisition of INCAJOU.

## About Ivoirienne de Noix de Cajou SA

INCAJOU is incorporated under the laws of Ivory Coast, West Africa. INCAJOU owns a cashew processing plant which has a production capacity of 9,000 tonnes and which has been in operation since April 2019. Currently INCAJOU employs 350, mostly women. As at September 30, 2019, INCAJOU has exported twelve containers of kernels (approx. 190 tonnes). The plant has been certified HACCP (see our news release of August 28, 2019).

INCAJOU is managed by Ms. Seetaroo, a director of the Company, and the Chief Financial Officer of INCAJOU is also the Chief Financial Officer of the Company. All management costs are paid for by Privco. The plant has been built to align with the policy of the Ivory Coast Government to increase the country's current processing from less than 6% to 15% of the total raw cashew nuts produced locally.

## Tilemsi Phosphate Project

Given INCAJOU's cash flow generating business, the relative book value of the assets purchased and the departure from mining and exploration, this purchase is deemed a "Change of Business" pursuant to the Exchange's Policy 5.2. The deemed principal business of the

Company after the acquisition is completed will be that of cashew processing and the Company will change its listing classification from being a "Mining Issuer" to being an "Industrial Issuer". However, work continues to advance the Tilemsi Phosphate project and the businesses will be developed in parallel, with each benefiting from the agricultural industry relationships and goodwill generated by the other. Fertilizer and the development of the Tilemsi Phosphate project remains a priority for management and future shareholder value.

The Company will also continue to assess other value-added agribusiness opportunities that generate economic and social benefit in Africa.

#### The COB Transaction

The Definitive Agreement is subject to, among other things, the approval of the Exchange and approval from a majority of disinterested shareholders of the Company. The COB Transaction is not an "Arm's Length Transaction" (as such term is defined in Exchange policies) (see "Non-Arm's Length Parties - Related Party Transactions - Shareholder Approval").

Pursuant to the terms of the Definitive Agreement, the Company has agreed to acquire the one outstanding share of Privco in consideration for one common share of the Company. It is a condition of closing the acquisition of the Privco share that the Company will have entered into a debt settlement agreement with Mr. Bruce McKean pursuant to which the Company will concurrently issue to Mr. McKean 22,680,000 common shares of the Company (the "Debt Shares") at a deemed price of \$0.30/share to extinguish \$6,804,000 debt owed by Privco to Mr. McKean (the "Debt Settlement Transaction"). The debt represents cash loans personally made by Mr. McKean to Privco to further the acquisition of INCAJOU and the development of INCAJOU's business.

Mr. McKean is also a director of the Company. Mr. McKean currently owns 5,443,300 common shares of the Company. The issuance of the Debt Shares to Mr. McKean will result in him owning a total of 28,123,301 common shares of the Company, representing approximately 22.31% of the then outstanding shares, thus creating a new Control Person under Exchange policies.

The following table contains selected consolidated draft financial information of Privco, derived from the interim financial statements for the eleven months ended September 30, 2019:

#### Consolidated unaudited Draft Financial Statements\*

	Eleven Months to September 30, 2019
Revenue	\$ 1,538,649
Loss for the period	(2,485,675 )
Non-current assets	16,030,210
Current assets	5,209,514
Current liabilities	(6,692,486 )
Non-current liabilities	\$ (17,102,157 )

\* Exchange rate - 1 Can\$ to 477 XOF

#### Sponsorship

Sponsorship of the COB Transaction is required by the Exchange unless an exemption or waiver from sponsorship requirement is available. The COB Transaction does not meet the Exchange's exemption requirements and the Company has not been granted a waiver from the sponsorship requirement. Accordingly, the Company has engaged Cormark Securities Inc. to act as its Sponsor in relation to the COB Transaction.

Cormark Securities Inc., subject to completion of satisfactory due diligence, has agreed to act as sponsor in

connection with the COB Transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

#### Non-Arm's Length Parties - Related Party Transactions - Shareholder Approval

The sole shareholder of Privco is Bruce McKean who is also a director of the Company. In addition, the two directors of Privco are Jed Richardson (the CEO and a director of the Company) and David Shaw (a non-executive director of the Company). Consequently, Messrs. McKean, Richardson and Shaw are Non-Arm's Length Parties (as such term is defined in Exchange policies).

The COB Transaction and the Debt Settlement Transaction are each "related party transactions" pursuant to Multilateral Instrument 61-101 "Protection of Minority Security Holders in Special Transactions" ("MI 61-101"). The Company is exempt from the requirements of MI 61-101 to obtain a formal valuation in connection with the COB Transaction and the Debt Settlement Transaction in reliance of section 5.5(b) of MI 61-101 on the basis that the Company is not listed on one of the senior stock exchanges specified therein.

The Company is not exempted from the requirements of MI 61-101 to obtain shareholder approval (on a majority of the minority basis) to the COB Transaction and the Debt Settlement Transaction. Therefore, the Company will be seeking disinterested shareholder approval to the COB Transaction and to the Debt Settlement Transaction, as required under MI 61-101, at a meeting of shareholders (the "Shareholder Meeting") which the Company anticipates will be held in the near future.

Pursuant to Exchange policies, the creation of a new Control Person, which will result from the issuance of the Debt Shares to Mr. McKean (see "The COB Transaction" above) requires the approval of disinterested shareholders. Therefore, the Company will also be seeking disinterested shareholder approval to the creation of a new Control Person at the Shareholder Meeting.

In relation to resolutions seeking to approve the COB Transaction and the Debt Settlement Transaction resulting in the creation of the new Control Person, any common shares of the Company held by Messrs. McKean, Richardson and Shaw, together with any shares held by any of their associates or affiliates, will not be entitled to vote on the approval of such matters.

The Company expects to hold a Shareholders Meeting to seek approval of the above-mentioned matters, as well as other matters, in the near future and will advise its shareholders once a date has been set for the meeting. In relation thereto, a management information circular, with information required to be included therein pursuant to Exchange policies and applicable securities laws, will be provided to its shareholders in due course.

#### Concurrent Financing

Prior to or concurrent with the closing of the COB Transaction, the Company intends to complete a non-brokered private placement which will be completed by the issue of (i) subscription receipts and/or units. It is proposed that the Company will raise \$6,700,000 through the issuance of 44,666,667 subscription receipts and/or units at a price of \$0.15 per subscription receipt/unit. If subscription receipts are issued, they will automatically convert, at no additional cost to the holder, to one unit on the date the COB Transaction is closed. Each unit will be comprised of one common share of the Company and one-half (½) of one share purchase warrant.

Each whole warrant will entitle the holder thereof to one common share of the Company at a purchase price of \$0.20/share for a period expiring two years after their date of issuance. It is anticipated that the proceeds raised under the Concurrent Financing will be used to fund the costs associated with the COB Transaction, to assist INCAJOU meet its business objectives in the forthcoming twelve months and for general working capital. All securities issued pursuant to the Concurrent Financing will be subject to a hold period of four months and one day. Commissions may be paid on the proceeds raised commensurate with industry norms.

#### Trading Halt

Trading in the common shares of the Company has been halted. Trading is expected to remain halted until the completion of the COB Transaction.

#### Board Composition and Management

The Company does not anticipate any changes to the composition of its Board of Directors or management team in relation to the completion of the COB Transaction.

#### Cautionary Note

Completion of the COB Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and disinterested shareholder approval. The COB Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the COB Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the COB Transaction, any information released or received with respect to the COB 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.

The Exchange has in no way passed upon the merits of the proposed COB Transaction and has neither approved nor disapproved the contents of this news release.

#### About Great Quest

[Great Quest Fertilizer Ltd.](#) is a Canadian agribusiness company focused on the development of African agricultural mineral projects for local production of farm ready fertilizers. The Company's flagship asset is the Tilemsi Phosphate Project, encompassing 1,206 km<sup>2</sup> in northeastern Mali, containing high quality phosphate resources amenable to use as direct application fertilizer. Great Quest is listed on the TSX Venture Exchange under the symbol GQ, and the Frankfurt Stock Exchange under the symbol GQM.

ON BEHALF OF THE BOARD OF DIRECTORS OF [Great Quest Fertilizer Ltd.](#)

&ldquo;Jed Richardson&rdquo;

President, Chief Executive Officer and Director

#### Disclaimer for Forward-Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "belief", "anticipate", "intend", "expect", "plan", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the business plans of the Company and INCAJOU, the Concurrent Financing, the COB Transaction (including Exchange approval and the closing of the COB Transaction) and the board of directors and management of the Company upon completion of the COB Transaction. Such statements and information reflect the current view of the Company. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking

statements.

Such factors include, among others, the following risks:

- there is no assurance that the Concurrent Financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with the Concurrent Financing. In particular, the amount raised may be significantly less than the amounts anticipated as a result of, among other things, market conditions and investor behavior;
- there is no assurance that the Company will obtain all requisite approvals for the COB Transaction, including the approval of the Company's disinterested shareholders, or the approval of the Exchange for the COB Transaction and the resulting creation of the new Control Person (which may be conditional upon amendments to the terms of the COB Transaction);
- following completion of the COB Transaction, the Company may require additional financing from time to time in order to continue its operations. Financing may not be available when needed or on terms and conditions acceptable to the Company;
- new laws or regulations could adversely affect the Company's business and results of operations;
- the stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of the Company's securities, regardless of its operating performance.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others: currency fluctuations; limited business history of the Company, Privco and INCAJOU; disruptions or changes in the credit or security markets; results of operation activities and development of projects; project cost overruns or unanticipated costs and expenses, fluctuations in commodity prices, and general market and industry conditions.

The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

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

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