

Kootenay Zinc Corp. Announces Proposed Reverse Takeover Business Combination

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Vancouver, May 19, 2020 – [Kootenay Zinc Corp.](#) (the “Company” or “Kootenay”) (CSE: ZNK; OTC: KTND; FRA: KYH1) is pleased to announce that it has entered into a binding letter agreement dated May 18, 2020 (the “Letter Agreement”) with Canndora Delivery Ltd. (“Canndora”), Greeny Collaboration Group (Canada) Inc. (“Greeny”) and Lifted Innovations Inc (“Lifted”) to effect a proposed business combination (the “Transaction”). The Transaction will result in a reverse takeover and change of business of the Company, and the resulting issuer from the Transaction (the “Resulting Issuer”) will continue as a combination of the businesses of Canndora, Greeny and Lifted (as described below) as a media company that specializes in next generation e-commerce architecture, transforming eCommerce stores by making them more engaging, reliable and faster with marketplace connectivity.

The Transaction

The principal terms of the Transaction are as follows:

1. The Company will, concurrently or prior to closing of the Transaction, complete a 23-1 share consolidation (the “Consolidation”) to reduce the number of common shares of the Company issued and outstanding from 14,964,324 pre-consolidated common shares to 650,623 post-consolidated common shares (“Resulting Issuer Shares”).
2. The Company will structure the acquisition of all of the issued and outstanding shares of Canndora and Greeny as a triangular amalgamation (the “Amalgamation”). The terms of the Amalgamation will be set forth in definitive agreements containing customary terms. Shareholders of Canndora, in exchange for 100% of the issued and outstanding shares of Canndora, will receive 18,260,870 Resulting Issuer Shares, which values Canndora (as determined by the Board of Canndora) at approximately CAD\$ 21 million (assuming a share price of approximately CAD\$ 1.15 per Resulting Issuer Share). Shareholders of Greeny, in exchange for 100% of the issued and outstanding shares of Greeny, will receive 8,695,652 Resulting Issuer Shares, which values Greeny (as determined by the Board of Greeny) at approximately CAD\$ 10 million (assuming a share price of approximately CAD\$ 1.15 per Resulting Issuer Share).
3. The Company will structure the acquisition of Lifted as a takeover bid supported by the board of directors of Lifted (the “Takeover Bid”) for 100% of the issued and outstanding shares of Lifted, subject to a minimum deposit condition of 50.1% of Lifted common shares. The terms of the Takeover Bid will be contained in a takeover bid circular to be delivered to the shareholders of Lifted. Assuming a take-up of 100% of the issued and outstanding Lifted shares, shareholders of Lifted will receive 61,300,000 Resulting Issuer Shares, which values 100% of Lifted (as determined by the Board of Lifted) at approximately CAD\$ 70 million (assuming a share price of approximately CAD\$ 1.15 per Resulting Issuer Share).

The Company will seek shareholder approval of the Transaction and related matters at a shareholder meeting of the Company to be called following the execution of the Amalgamation definitive agreements.

The Transaction is subject to a number of conditions, including: (i) approval of the Canadian Securities Exchange (the “CSE”); (ii) completion of satisfactory due diligence and the execution of definitive and support agreements, as applicable; (iii) Kootenay, Canndora and Greeny shareholder approval of the Amalgamation; (iv) the minimum deposit of 50.1% of Lifted common shares under the Takeover Bid; (v) completion of the Consolidation; (vi) holders of not less than 50.1% of Lifted common shares executing lockup agreements; (vii) completion of the Financing (defined below); and (viii) receipt of applicable corporate approvals. Subject to the foregoing conditions being satisfied or, if applicable, waived, the Transaction is anticipated to close in July 2020.

The Transaction is an arms-length transaction. The precise form and structure of the Transaction will be determined having regard to advice from tax and securities law advisors of the parties. A filing statement in respect of the Transaction and Resulting Issuer will be prepared and filed on SEDAR at www.sedar.com.

The Financing

Concurrently with the closing of the Transaction, the Resulting Issuer intends on completing a unit financing (the "Financing") of a minimum of CAD \$500,000 and up to CAD \$1,000,000. Each unit ("Unit") will be priced at CAD \$1.15 per Unit, and consist of 1 Resulting Issuer Share, and 1 share purchase warrant, entitling the holder thereof to acquire 1 Resulting Issuer Share at a price of CAD \$1.40 for a period of 3 years from the closing of the Financing. It is anticipated that that finder's fees consisting of 6% Units and 6% cash will be paid in respect of subscriptions from investors introduced by finders. Securities issued under the Financing will be subject to a hold period of 4 months plus 1 day from the date of distribution.

About Candorra Delivery Ltd.

Candorra is a private company incorporated under the British Columbia Business Corporations Act with offices located in Vancouver. CannDora is a delivery application and web based platform that provides consumers with a convenient and easy method of purchasing cannabis products from their local dispensaries. The application allows customers to electronically interact with dispensaries, thereby improving customer experience and reducing wait times. The application is designed to be used on a smartphone or tablet. CannDora is solely a delivery platform, and does not carry any cannabis supply but rather facilitates between consumers and dispensaries. The platform also offers up-to-date supply inventory from partnering dispensaries, allowing consumers to navigate finding the product they want.

About Greeny Collaboration Group (Canada) Ltd.

Greeny is a private company incorporated under the British Columbia Business Corporations Act with offices located in New York City and Canada. Greeny is an everything Hemp based CBD marketplace. With its unique technology Greeny.com allows thousands of CBD products to be offered on its platform with a guided customer experience at the forefront of the business. Greeny is an all-encompassing destination for any adult recreational user, new CBD users, or CBD enthusiasts who are interested in trying or learning about CBD products or usage. Greeny has teamed up with influencers, celebrities and educators to help consumers educate themselves in the quickly growing CBD space. Greeny's mission is to be the most trusted and accessible online destination for CBD.

About Lifted Innovations Inc.

Lifted is a private company incorporated under the Canada Business Corporations Act with offices located in Las Vegas, Nevada. Lifted is a B2C e-commerce company providing cannabis-related accessories and ancillary products in the United States and Canada. The Company currently operates a drop-shipping platform through four domain names (being "EveryoneDoesIt.com", "NamasteVaporizers.com", "Lifted.com", "liftedcbd.com" and "LeafScience.com") and intends to leverage its market share to expand into additional business segments including a customer review and rating platform for cannabis-related accessories and ancillary products.

About the Resulting Issuer

The business of the Resulting Issuer will continue as a combination of the businesses of CannDora, Greeny and Lifted (as described above) as a media company that specializes in next generation e-commerce architecture, transforming e-commerce stores by making them more engaging, reliable and faster with marketplace connectivity.

Upon closing of the Transaction, the Company's name will change to PeakBirch Logic Inc.

Board and Management of the Resulting Issuer

Upon completion of the Transaction, Marc Mulvaney will serve as Chief Executive Officer of the Resulting Issuer, and Usama Chaudhry will serve as Chief Financial Officer. Tara Haddad and Von Torres will resign from the Board, and Board of the Resulting Issuer will be comprised of Mr. Mulvaney, Mr. Chaudhry, Ricardo De Barros and Marco Kraemer.

Marc Mulvaney

Marc Mulvaney is an accomplished e-commerce executive with over 23 years of experience. He is a senior consultant of Lifted Innovations Inc, an e-commerce technology company focused on premium cannabis accessories. During his time at Lifted, he demonstrated his capabilities and experience as a leader by

increasing sales and growing bottom line while spearheading operational improvements to drive productivity and reduce costs. Marc is a result-oriented, decisive leader with a proven entrepreneurial track record.

Usama Chaudhry

Usama Chaudhry is an experienced businessman who will join the board as a director. Mr. Chaudhry sits on a number of public company boards and specializes in executive management services, including corporate development, investor relations, financial reporting, company filings, budgeting and overseeing corporate governance, while achieving company objectives and maintaining internal cost controls.

Ricardo De Barros

Ricardo De Barros is an attorney in Montreal, Canada and founding partner of a law firm that specializes in complex real estate transactions and asset management. Mr. De Barros received a degree in Psychology from McGill University before studying Law at the University of Montreal with a Master's degree in Taxation. Mr. De Barros donates a lot of his free time to Charitable organizations in the Montreal area and is fluent in English, French and Portuguese.

Marcos Kraemer

Marcos Kraemer is an attorney in Panama and the co-managing partner of a Law Firm that specializes in business, tax, real estate and immigration law. Mr. Kraemer received a degree in law from the National University of Panama before studying at the Ulacit University with a Master's degree in Business Administration. Mr. Kraemer is passionate about immigration matters and is fluent in English, Spanish and Portuguese.

Pro Forma Share Capital of the Resulting Issuer

For illustrative purposes, it is anticipated that immediately following the closing of the Transaction and the Financing (and assuming the acquisition of 100% of the issued and outstanding shares of Lifted under the Takeover Bid, and assuming the minimum Financing of \$500,000), there will be approximately 89,341,927 common shares of the Resulting Issuer outstanding, with, on a non-diluted basis, current Kootenay, Canndora, Greeny and Lifted shareholders holding approximately 0.73%, 20.44%, 9.73%, 68.61% of the Resulting Issuer, respectively, and subscribers to the Financing holding approximately 0.49% of the Resulting Issuer. Outstanding options and warrants, as applicable, of Kootenay, Canndora, Greeny and Lifted will be converted on a pro-rata basis into options and warrants of the Resulting Issuer.

It is anticipated that a portion of the issued and outstanding shares of the Resulting Issuer will be subject to the escrow requirements of applicable securities laws. Also, Resulting Issuer shares issued under the Lifted shareholders under the Takeover Bid and Greeny shareholders under the Amalgamation will be subject to a voluntary hold period of 4 months from the closing of the Transaction.

Trading Halt

Trading in the common shares of the Company has been halted in accordance with the policies of the CSE and will remain halted until such time as all required approvals and documentation has been filed with and accepted by the CSE and permission to resume trading has been obtained from the CSE.

Non-IFRS Measures

This news release contains references to certain measures that do not have a standardized meaning under International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement IFRS measures by providing a further understanding from management's perspective. Accordingly, non-IFRS measures should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS.

KOOTENAY ZINC CORP.

Per: Tara Haddad, Director
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Cautionary Statement Regarding Forward-Looking Information

Except for the statements of historical fact, this news release contains “forward-looking information” within the meaning of the applicable securities legislation. The information in this news release about future plans and objectives of the Company, are forward-looking information, including: the proposed Transaction and Financing; and the intentions, plans and future actions of the Company. This forward-looking information is based on reasonable assumptions and estimates of management of the Company at the time it was made, and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others: the Transaction and Financing may not close on the terms and timing as currently anticipated, or at all; the COVID 19 crisis; the Transaction, if completed, may not result in any tangible benefits to the Company or shareholders; and other related risks as more fully set out in the Company’s continuous disclosure record filed at www.sedar.com. The Company has also assumed that no significant events occur outside of the Company’s normal course of business. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to revise or update any forward-looking information other than as required by law.

Reader Advisory

Completion of the Transaction is subject to a number of conditions, including but not limited to CSE acceptance. The Transaction cannot close until these conditions are satisfied or, if applicable, waived. 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 filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company and Resulting Issuers should be considered highly speculative. The CSE has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release. This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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