

Debut Diamonds Issues News Release Supplementing Management Information Circular

25.03.2021 | [Newsfile](#)

Toronto, March 25, 2021 - [Debut Diamonds Inc.](#) (CSE: DDI) ("Debut Diamonds" or the "Company") issues this news release, as requested by the Ontario Securities Commission ("OSC"), with respect to the Company's notice of annual and special meeting of shareholders to be held on April 1, 2021 (the "Meeting") and management information circular dated March 8, 2021 (the "Circular"), to supplement certain of the information included within the Circular. In the Circular, the board of directors of the Company (the "Board") proposes several resolutions in preparation of the proposed reverse takeover of the Company by Wesana Health Inc. ("Wesana"), whereby the Company will acquire all of the issued and outstanding shares of Wesana, by way of an amalgamation, arrangement, takeover bid, share purchase or other similar form of transaction or a series of transactions, in exchange for shares of the Company (the "Business Combination"), including the following resolutions:

- to consider and, if thought advisable, approve with or without variation, a special resolution authorizing and approving a consolidation of the Company's issued and outstanding common shares (the "Common Shares") at a ratio of up to 50 old shares to 1 new share and authorizing the directors of the Company to fix the actual consolidation ratio (the "Consolidation Resolution"), to be implemented only in the event that all conditions to the Business Combination have been satisfied or waived (other than the conditions that may be or are intended to be satisfied only after the Consolidation Resolution is implemented); and
- to consider and, if thought advisable, approve with or without variation, a special resolution, authorizing and approving the continuance of the Company from Ontario to British Columbia, including the adoption of new articles and notice of articles, which articles will effect an amendment of the existing articles of the Company to create a class of Super Voting Shares, a class of Multiple Voting Shares, a class of Subordinate Voting Shares and a class of Preferred Shares and to redesignate all outstanding Common Shares as Subordinate Voting Shares (the "Continuance Resolution"), to be implemented only in the event that all conditions to the Business Combination have been satisfied or waived (other than the conditions that may be or are intended to be satisfied only after the Continuance Resolution is implemented).

The OSC has requested that the Company provide certain supplementary disclosure in relation to: (i) the number of shares of each class of the Company that are currently anticipated to be outstanding upon completion of the Business Combination and the voting rights that will be attached to each such class of shares; (ii) the Coattail Agreement (as defined below) that is anticipated to be executed by the sole holder of Super Voting Shares upon completion of the Business Combination; and (iii) the Voting Support Agreements (as defined below) that have been entered into by certain shareholders of the Company with Wesana to support the completion of the Business Combination.

Share Classes and Voting Rights Upon Completion of the Business Combination

As provided in the Continuance Resolution, it is contemplated that in connection with the Business Combination, the Company will create a class of Super Voting Shares, a class of Multiple Voting Shares and a class of Subordinate Voting Shares and redesignate all outstanding Common Shares on a post-consolidated basis as Subordinate Voting Shares.

The Super Voting Shares are anticipated to have voting rights superior to and economic rights equivalent to the Subordinate Voting Shares, and it is anticipated that the only Super Voting Shares to be issued upon completion of the Business Combination will be to Daniel Carcillo (the "SVS Holder"), a founder of Wesana. Holders of Super Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company will have the right to vote. At each such meeting, holders of Super Voting Shares will be entitled to 500 votes in respect of each Super Voting Share held. In order to minimize the proportion of the outstanding equity securities of the Company that are held by U.S. persons for purposes of determining whether the Company is a "foreign private issuer" under United States securities laws, the actual number of Super Voting

Shares that would have otherwise been issued will be compressed by a factor of 50. As a result, it is currently anticipated that there will be approximately 135,000 Super Voting Shares outstanding upon completion of the Business Combination, whereby each Super Voting Share will be convertible in accordance with its terms into 50 Subordinate Voting Shares (the "SVS Conversion Ratio") and each Super Voting Share will effectively have ten times the voting power as each Subordinate Voting Share.

Each Super Voting Share will automatically be converted without further action by the holder thereof into such number of Subordinate Voting Shares as is equal to the SVS Conversion Ratio upon the transfer by the holder thereof to anyone other than (each, a "Permitted Holder") (i) an immediate family member of the SVS Holder or a transfer for purposes of estate or tax planning to a company or person that is wholly beneficially owned by the SVS Holder or immediate family members of the SVS Holder or which the SVS Holder or immediate family members of the SVS Holder are the sole beneficiaries thereof; (ii) a trustee, custodian or administrator acting on behalf of or for the benefit of the SVS Holder or one or more immediate family members of the SVS Holder; or (iii) a pledgee of a Super Voting Share in connection with the creation by the holder thereof of a security interest in such Super Voting Share pursuant to a bona fide loan or indebtedness transaction so long as the holder thereof continues to exercise voting control over such pledged share; provided, however, that a foreclosure on such Super Voting Share or other similar action by the pledgee shall be excluded from being permissible under this paragraph (iii). Each Super Voting Share will automatically be converted without further action by the holder thereof into such number of Subordinate Voting Shares as is equal to the SVS Conversion Ratio if at any time the aggregate number of issued and outstanding Super Voting Shares beneficially owned, directly or indirectly, by the SVS Holder and the Permitted Holders, divided by the number of Super Voting Shares beneficially owned, directly or indirectly, by the SVS Holder and the Permitted Holders as at the date of completion of the Business Combination, is less than 50%. In respect of paragraph (iii) summarized above, it is narrower than as previously proposed for approval within the Circular. Within the Circular, it was proposed to be "or (iii) a party approved by the Company".

The Multiple Voting Shares are anticipated to have voting rights and economic rights equivalent to the Subordinate Voting Shares, and it is anticipated that they will be issued upon completion of the Business Combination to certain U.S. resident securityholders of Wesana to facilitate satisfying from time to time certain United States securities laws matters, as described below. Holders of Multiple Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company will have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to 50 votes in respect of each Multiple Voting Share held. In order to minimize the proportion of the outstanding equity securities of the Company that are held by U.S. persons for purposes of determining whether the Company is a "foreign private issuer" under United States securities laws, the number of Multiple Voting Shares that will be issued to the holders thereof will be compressed by a factor of 50. As a result, it is currently anticipated that there will be approximately 133,000 Multiple Voting Shares outstanding upon completion of the Business Combination, whereby each Multiple Voting Share will be convertible in accordance with its terms into 50 Subordinate Voting Shares and holders of Multiple Voting Shares will effectively hold equivalent voting power as if they had held Subordinate Voting Shares instead.

Holders of Subordinate Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company will have the right to vote. At each such meeting, holders of Subordinate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share held.

It is currently anticipated that certain securityholders of Wesana and all of the shareholders of the Company immediately prior to the completion of the Business Combination and all investors that participate in the pre-RTO subscription receipt financing (the "Subscription Receipt Financing") described within the press release of the Company dated February 2, 2021 will be holders of Subordinate Voting Shares upon completion of the Business Combination.

As described in the Circular, as a result of the terms and conditions of the Business Combination, the calculation of the actual consolidation ratio that will be set under the Consolidation Resolution will not be able to be determined until immediately prior to the completion of the Business Combination. Notwithstanding this, while subject to change including as a result of any changes to the outstanding securities of the Company or Wesana, it is currently anticipated that the consolidation ratio will be approximately 28.12 existing Common Shares of the Company for each post-consolidated Subordinate Voting Share, whereby current shareholders of the Company (assuming the exercise of all outstanding warrants of the Company) will hold 1,139,751 Subordinate Voting Shares upon completion of the Business Combination.

Assuming that the targeted C\$15 million in aggregate gross proceeds are raised pursuant to the Subscription Receipt Financing, while subject to change including as a result of any changes to the outstanding securities of the Company or Wesana, it is currently anticipated that there will be approximately 135,000 Super Voting

Shares, 133,000 Multiple Voting Shares and 12 million Subordinate Voting Shares outstanding immediately following completion of the Business Combination, whereby such classes of shares will respectively hold approximately 78%, 8% and 14% of the total voting power of the outstanding equity securities of the Company (on an undiluted basis).

Coattail Agreement

Under applicable Canadian law, an offer to purchase Super Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares or Multiple Voting Shares. In conformity with the rules applicable to most senior issuers in Canada designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares and Multiple Voting Shares will be entitled to participate on an equal footing with holders of Super Voting Shares, it is anticipated that the SVS Holder will enter into a customary coattail agreement with the Company and a trustee (the "Coattail Agreement"). The Coattail Agreement will contain provisions customary for dual class, listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares and Multiple Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Super Voting Shares had been Subordinate Voting Shares or Multiple Voting Shares.

The undertakings in the Coattail Agreement will not apply to prevent a sale by any holder of Super Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares and Multiple Voting Shares that:

- offers a price per Subordinate Voting Share or Multiple Voting Share (on an as converted to Subordinate Voting Share basis) at least as high as the highest price per share paid pursuant to the offer for the Super Voting Shares (on an as converted to Subordinate Voting Share basis);
- provides that the percentage of outstanding Subordinate Voting Shares or Multiple Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Super Voting Shares to be sold (exclusive of Super Voting Shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror);
- has no condition attached other than the right not to take up and pay for Subordinate Voting Shares or Multiple Voting Shares tendered if no shares are purchased pursuant to the offer for Super Voting Shares; and
- is in all other material respects identical to the offer for Super Voting Shares.

Further information in respect of the Coattail Agreement will be included in the listing statement to be prepared by the Company in connection with the Business Combination (the "Listing Statement"), which the Company anticipates filing on its SEDAR profile at www.sedar.com.

Voting Support Agreements

Certain shareholders of the Company representing approximately 79% of the current outstanding Common Shares, being Greg Wilson, Rajiv Bhatia, Camille Rabay, Steven Mintz, Marc Lustig and Jason I. Goldman Professional Corporation (collectively, the "Locked-up Shareholders") have agreed to vote their shares in support of the Business Combination, including approval of the matters that will be brought before the Meeting by the Company, pursuant to voting support agreements dated as of February 2, 2021 (the "Voting Support Agreements") entered into with Wesana.

The following is a description of certain terms and conditions of the Voting Support Agreements. Each of the Locked-up Shareholders has agreed, among other things:

- to not (a) sell, transfer, gift, assign, pledge, hypothecate, encumber or otherwise dispose of any of such Locked-up Shareholder's Common Shares, or enter into any agreement, arrangement or understanding in connection therewith, without having first obtained the prior written consent of Wesana, and (b) other than as set forth therein, grant any proxies or powers of attorney, deposit any Common Shares into a voting trust or enter into a voting agreement, understanding or arrangement with respect to any Common Shares;

- to vote (or cause to be voted) all such Locked-up Shareholder's Common Shares at any meeting of the securityholders of the Company and in any action by written consent of the foregoing (a) in favour of the approval, consent, ratification and adoption of the transactions contemplated by the Letter Agreement dated as of February 2, 2021 (the "Binding Agreement") between the Company and Wesana (and any actions or steps required in furtherance thereof), (b) against any acquisition proposal or other merger, reorganization, consolidation, amalgamation, arrangement, business combination, share exchange, liquidation, dissolution, recapitalization, or similar transaction involving the Company (other than the transactions contemplated by the Binding Agreement), and (c) against any action which might reasonably be regarded as likely to reduce the success of, or delay or interfere with, the completion of the transactions contemplated by the Binding Agreement (or any actions or steps reasonably required in furtherance thereof);
- without the prior written consent of Wesana, not to requisition or join in the requisition of any meeting of the shareholders or securityholders of the Company for the purpose of considering any resolution;
- not to make any statements against the transactions contemplated by the Binding Agreement or any other agreement or transaction involving Wesana and not to bring, or threaten to bring, any suit or proceeding for the purpose of, or which has the effect of, directly or indirectly, stopping, preventing, impeding or varying such transactions or any aspect thereof;
- to (a) immediately cease and cause to be terminated any existing solicitation, discussion or negotiation, encouragement or activity with any person (other than Wesana) with respect to any acquisition proposal or any potential acquisition proposal whether or not initiated by such Locked-up Shareholder, and (b) immediately cease to provide any person (other than Wesana) with access to information concerning the Company in respect of any acquisition proposal or any potential acquisition proposal, and request the return or destruction of all confidential information provided to any person (other than Wesana) that has entered into a confidentiality agreement with such Locked-up Shareholder relating to any acquisition proposal or potential acquisition proposal and to use all commercially reasonable efforts to ensure that such requests are honoured;
- to not (a) solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of discussion, negotiation, furnishing information or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding, or that may reasonably be expected to lead to, any acquisition proposal, or (b) engage or participate in any discussions or negotiations regarding, or provide any information with respect to or otherwise co-operate in any way with, or assist or participate in, facilitate or encourage, an effort or attempt by a person (other than Wesana) to do or seek to do any of the foregoing regarding any acquisition proposal or potential acquisition proposal;
- to promptly notify Wesana, at first orally and then in writing, of any proposal, inquiry, offer or request received (a) relating to an acquisition proposal or potential acquisition proposal or inquiry that could reasonably lead or be expected to lead to an acquisition proposal, (b) for discussions or negotiations in respect of an acquisition proposal or potential acquisition proposal, (c) for representation on the Board, or (d) any material amendments to any of the foregoing;
- to not exercise any rights of appraisal or rights of dissent such Locked-up Shareholder may have that may arise from the transactions contemplated by the Binding Agreement (or any actions or steps reasonably required in furtherance thereof);
- to generally work with Wesana and the Company in order to ensure the success of the transactions contemplated by the Binding Agreement (and any actions or steps reasonably required in furtherance thereof); and
- to promptly notify Wesana upon becoming aware of any material adverse effect on the Company.

The Voting Support Agreements provide that the Locked-up Shareholders are bound thereunder solely in their capacity as shareholders of the Company and that the provisions thereof will not be deemed or interpreted to bind the Locked-up Shareholders in their capacity as directors or officers, if applicable, of the Company.

The Voting Support Agreements will respectively terminate upon the earliest of (i) the mutual written agreement of Wesana and the applicable Locked-up Shareholder; (ii) the termination of the Binding Agreement; (iii) completion of the Business Combination; and (iv) June 30, 2021.

The foregoing description of the Voting Support Agreements is a summary only and is qualified in its entirety by the full terms and conditions of such agreements, which have been made available by the Company on its SEDAR profile at www.sedar.com.

Further information

The foregoing information as to the matters currently anticipated to be brought before the Meeting by the Company is not complete and should not be relied upon. Please refer to the Circular for additional details as

to the matters currently anticipated to be brought before the Meeting by the Company.

It is anticipated that trading of the Common Shares on the Canadian Securities Exchange (the "CSE") will remain halted until the Business Combination is completed and all necessary filings have been accepted by applicable regulatory authorities.

Investors are cautioned that, except as disclosed in the Circular or the Listing Statement to be prepared in connection with the Business Combination, any information released or received with respect to the Business Combination may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities to be issued in connection with the Business Combination 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 unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Completion of the Business Combination is subject to a number of conditions, including but not limited to, CSE acceptance and if applicable, disinterested shareholder approval. Where applicable, the Business Combination cannot close until the required shareholder approval is obtained. There can be no assurance that the Business Combination will be completed as proposed or at all.

The CSE has in no way passed upon the merits of the Business Combination and has neither approved nor disapproved the contents of this news release.

About Debut Diamonds Inc.

[Debut Diamonds Inc.](#) is a mineral exploration company with no current activities or operations.

Cautionary Statements Regarding Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to the proposal to complete the Business Combination, the Subscription Receipt Financing and associated transactions. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "contemplates", "believes", "projects", "plans" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Statements about, among other things, the expected terms of the Business Combination, the expected terms and conditions of the Coattail Agreement provisions described herein, the anticipated share structure, including the terms and conditions of each class of shares of the Company and the number of securities of the Company that may be outstanding, upon completion of the Business Combination, expected the ownership ratios of the Company post-closing, the terms and conditions of the Subscription Receipt Financing, include the proceeds to be raised thereunder, shareholder approval, Wesana's strategic plans and the parties' ability to satisfy closing conditions and receive necessary approvals in order to complete the Business Combination, the Subscription Receipt Financing and associated transactions are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Business Combination or the Subscription Receipt Financing will occur or that, if they do occur, they will be completed on the terms described above. Debut and Wesana assume no responsibility to update or revise forward-looking information to reflect new events or circumstances or actual results unless required by applicable law.

For more information, please contact:

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