

SOL Global and Goldstream Minerals Announce Proposed Reverse Takeover By CannCure Investments

written by Raj Shah | May 31, 2019



May 30, 2019 ([Source](#)) – *SOL Global to Spin Out Its Multi-State Operator to Maximize Shareholder Value and Enable CannCure's Growth with Pure Play USA Strategy*

SOL Global Investments Corp. (“**SOL Global**”) (CSE: SOL) (OTCQB: SOLCF) (Frankfurt: 9SB) and Goldstream Minerals Inc. (NEX: GSX.H) (“**Goldstream**” or the “**Company**”) are pleased to announce that Goldstream and CannCure Investments Inc. (“**CannCure**”), a portfolio company of SOL Global, have entered into a letter of intent dated as of May 29, 2019 (the “**LOI**”) outlining the proposed terms and conditions pursuant to which Goldstream and CannCure will effect a business combination that will result in a reverse takeover of Goldstream by the shareholders of CannCure (the “**Proposed Transaction**”). The entity resulting from the Proposed Transaction (the “**Resulting Issuer**”) will continue to carry on the business of CannCure as a multi-state vertically integrated cannabis company (the “**MSO**”). The LOI was negotiated at arm’s length.

In connection with the Proposed Transaction, the Company intends to change its name to “3 Emeralds Corp.” (“**3 Emeralds**”) or such other name requested by CannCure and acceptable to applicable

regulatory authorities.

CannCure, a private company that is currently 97.6% owned by SOL Global, beneficially owns 3 Boys Farms LLC, (“**3 Boys Farms**”) a Florida cannabis cultivation, processing, and distribution company that holds one of the state’s original 14 medical marijuana treatment center licenses. SOL Global, via CannCure, had previously announced its proposed acquisition of ECD Inc., which operates as Northern Emeralds™, an industry-leading cannabis cultivation processing and distribution company headquartered in Humboldt County, California, as well as the proposed acquisition of six (6) licensed dispensary locations in California that will subsequently operate under the nationally recognized “One Plant™” brand (collectively, the “**California Acquisitions**”). SOL Global, via CannCure, had also previously announced the entering into of a binding letter of intent with cannabis-focused private equity firm [Merida Capital Partners](#) and the other owners of MCP Wellness, Inc. (“**MCP**”) to acquire 100% of the equity of MCP. MCP is a Michigan company that currently holds the rights to acquire two Michigan cultivation licenses, a processing license, and 3 fully licensed cannabis provisioning centers in Michigan with a fourth provisioning center scheduled to open in Ann Arbor in early June (the “**Michigan Acquisition**”). The Michigan Acquisition and the California Acquisitions are expected to close on or about August 2, 2019. If the California Acquisitions and the Michigan Acquisition are completed, then SOL Global intends to combine the acquired California and Michigan businesses under CannCure and its existing Florida business to form the MSO.

The MSO will combine its best-in-class craft cannabis production with strong retail footprints throughout Florida, California and Michigan, including through its One Plant™-branded dispensaries, which will provide patients

a unique, easy purchasing experience with an emphasis on quality products and patient education. The MSO's retail channels will offer patients a selection of some of the most well-known brands in the cannabis industry, and Northern Emeralds™' signature cannabis flower strains will be offered for sale exclusively at One Plant locations.

3 Boys Farms is a Florida company that holds one of the state's original 14 operating and vertically-integrated medical marijuana treatment center licenses and currently operates 40,000 square feet of fully-operational greenhouses in Ruskin, Florida, and a GMP-certified farm and laboratory facility in Indiantown, Florida with an additional 54,000 square foot greenhouse and 64,000 square feet of indoor cultivation, processing and manufacturing that are slated to open in the fourth quarter of 2019 at the Indiantown Facility. Additionally, 3 Boys Farms has also secured and is building out 17 premiere dispensary sites that are strategically located throughout Florida, and expects to open six (6) dispensaries before the end of the fourth quarter of 2019 that will all be branded as One Plant™ dispensaries.

"3 Emeralds' combination of its best-in-class cannabis assets across three of the most robust marketplaces in the U.S. in California, Florida, and Michigan will help position the company as a unique and dominant multi-state operator and is the best course of action for corporate growth and continued realization of value for SOL Global shareholders and for CannCure's partners," said Brady Cobb, CEO of SOL Global.

Terms of the Transaction

The Proposed Transaction will be structured as an amalgamation, arrangement, takeover bid, share purchase or other similar form of transaction mutually acceptable to Goldstream and CannCure.

The Proposed Transaction will not be completed while Goldstream is listed on the NEX board of the TSX Venture Exchange (“**TSXV**”).

Pursuant to the Proposed Transaction, the holders of common shares of CannCure (“**CannCure Shares**”) will receive common shares of the Resulting Issuer (“**Resulting Issuer Shares**”) in exchange for their CannCure Shares on a 1:1 exchange ratio. An application will be made to voluntarily delist the common shares of the Company (the “**Goldstream Shares**”) from the NEX board of the TSXV and to list the Resulting Issuer Shares on a duly recognized Canadian stock exchange (the “**Exchange**”). The delisting of the Goldstream Shares from the NEX board of the TSXV and the listing of the Resulting Issuer Shares on the Exchange will be subject to all applicable shareholder and regulatory approvals.

CannCure intends to complete a private placement of subscription receipts (the “**Subscription Receipts**”) or common shares for aggregate gross proceeds of at least US\$45,000,000 and a maximum of US\$85,000,000 through one or more Canadian investment dealers (the “**Private Placement**”). The Subscription Receipts will ultimately be exchangeable, upon satisfaction of certain conditions, for Resulting Issuer Shares in connection with the Proposed Transaction. The issue price per Subscription Receipt and other terms of the Private Placement will be determined in the context of the market.

In connection with the Proposed Transaction, the Company intends to consolidate the outstanding Goldstream Shares so that the CannCure Shares may be exchanged on a 1:1 basis for Resulting Issuer Shares based on a \$3,500,000 valuation of Goldstream (the “**Consolidation**”). The Consolidation ratio will be one (1) post-Consolidation Goldstream Share for every 23.3053 pre-Consolidation Goldstream Shares assuming a Private Placement issue price of US\$2.50 per security. The Consolidation ratio is

subject to adjustment depending on the ultimate issue price under the Private Placement so as to preserve the 1:1 exchange ratio for the CannCure Shares based on a \$3,500,000 valuation of Goldstream. Holders of the post-Consolidation Goldstream Shares will receive Resulting Issuer Shares on 1:1 basis.

Assuming the completion of the Proposed Transaction and a Private Placement of US\$65,000,000 at US\$2.50 per security, then the ownership of the Resulting Issuer is expected to breakdown as follows (without giving effect to any additional issuance of CannCure Shares, including in connection with the California Acquisitions and Michigan Acquisition):

	% ownership of Resulting Issuer
SOL Global	34.9%
Former shareholders of CannCure that sold CannCure to SOL Global	36.4%
Private Placement subscribers	25.7%
Goldstream shareholders	1.2%
Other CannCure shareholders	1.8%
	100%

Further in connection with the Proposed Transaction, the Company will be required to, among other things, (i) change its name to “3 Emeralds Corp.” or such other name requested by CannCure and acceptable to applicable regulatory authorities and (ii) replace all directors and officers of the Company on closing of the Proposed Transaction with nominees of CannCure.

Completion of the Proposed Transaction is subject to the satisfaction of customary closing conditions, including:

- the execution of definitive documents;
- the receipt of all required approvals and consents relating to the Proposed Transaction including, without

limitation, all approvals of the shareholders of Goldstream (including minority approval, if necessary) and CannCure as required by the TSXV, the Exchange, and under applicable corporate or securities laws, the TSXV's approval for delisting of the Goldstream Shares, and the Exchange's conditional approval for the listing of the Resulting Issuer Shares;

- the completion by CannCure of the Private Placement for minimum aggregate gross proceeds of at least US\$45,000,000 and a maximum amount of US\$85,000,000; and
- the completion by the Company of the Consolidation.

Further details of the Proposed Transaction will be included in subsequent news releases and disclosure documents (which will include information on the nominee directors and officers of CannCure and the business and financial information in respect of CannCure) to be filed by the Company in connection with the Proposed Transaction. It is anticipated that an annual general and special shareholder meeting of the Company to approve, among other matters, all required matters in connection with the Proposed Transaction will take place in August of 2019 and closing of the Proposed Transaction is intended to take place in or before the end of the fourth quarter of 2019.

The common shares of the Company will remain halted until all necessary filings have been accepted by applicable regulatory authorities.

About SOL Global Investments Corp.

SOL Global is an international investment company with a focus on, but not limited to, cannabis and cannabis related companies in legal U.S. states, the hemp and CBD marketplaces and the

emerging European cannabis and hemp marketplaces. Its strategic investments and partnerships across cultivation, distribution and retail complement the company's R&D program with the University of Miami. It is this comprehensive approach that is positioning SOL Global as a future frontrunner in the United States' medical cannabis industry.

All information contained in this news release with respect to Goldstream was supplied by Goldstream for inclusion herein and SOL Global has relied on the accuracy of such information without independent verification.

About Goldstream Minerals Inc.

On Behalf of the Board of Directors of Goldstream Minerals Inc.
Michael Galloro
Director

All information contained in this news release with respect to CannCure was supplied by CannCure for inclusion herein and the Company has relied on the accuracy of such information without independent verification.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. 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 listing 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 Goldstream 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.

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 release.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities under the Private Placement 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 unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Advisory on Forward-Looking Information

This press release contains certain “forward-looking information” within the meaning of applicable Canadian securities legislation. Such forward-looking information are not representative of historical facts or information or current condition, but instead represent only SOL Global’s and the Company’s beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of their respective control. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may

contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information contained herein include, but are not limited to, information concerning the Proposed Transaction, the Consolidation and the Private Placement, expectations on whether the Proposed Transaction will be consummated, including whether conditions to the consummation of the Proposed Transaction will be satisfied, the timing for holding the annual general and special meeting of shareholders of the Company, the timing for completing the Proposed Transaction, the business plans and strategy of SOL Global, CannCure and the Resulting Issuer, and information concerning the California Acquisitions and Michigan Acquisition.

By identifying such information and statements in this manner, each of SOL Global and the Company are alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of SOL Global and/or the Company to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information contained in this press release, each of SOL Global and the Company have made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: the ability to consummate the Proposed Transaction, the Consolidation and the Private Placement; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions to the consummation of the Proposed Transaction on the proposed terms and schedule; the ability to satisfy the conditions to the consummation of the Private Placement, the Consolidation, the conversion of the

CannCure Subscription Receipts, the California Acquisitions or the Michigan Acquisition; the potential impact of the announcement or consummation of the Proposed Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Proposed Transaction, the Consolidation and the Private Placement. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although each of SOL Global and the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information are reasonable, undue reliance should not be placed on such information and no assurance or guarantee can be given that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The forward-looking information contained in this press release are made as of the date of this press release, and neither SOL Global nor the Company undertakes to update any forward-looking information that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information attributable to SOL Global and the Company or persons acting on their behalf, as the case may be, is expressly qualified in its entirety by this notice.