



WILDFLOWER ANNOUNCES \$10M CAPITAL COMMITMENT

Press Release · June 4, 2018

VANCOUVER, British Columbia, May 30, 2018: Wildflower Brands Inc. (CSE: SUN) (the “Company”) announces that it has entered into a capital commitment agreement (the “Capital Commitment”) with GEM Global Yield Fund LLC SCS (“GEM”) for a \$10 million Capital Commitment from GEM to invest into Wildflower. Proceeds raised from the investment will be used for working capital and general corporate purposes, particularly the development and expansion of the Company’s California operations.

Wildflower has the right to draw down under the Capital Commitment for a term of 2 years. Common shares will be issued to GEM at a price per share equal to the higher of the floor price set by Wildflower and a 10 per cent discount to the market price of the common shares based on the immediately preceding 15-day volume weighted average price during the acceptance period. Each draw down is subject to certain market out rights of GEM and approval of the CSE. GEM will hold freely trading common shares of the Company through a share lending facility provided by certain shareholders.

Wildflower will pay to GEM a commission fee of \$125,000 upon the earliest of the closing of a private placement (in an amount equal to 15% of the proceeds of placements until the full amount of the fee is paid), 12 months from the date of the Capital Commitment or a change of control of Wildflower. This fee is payable by Wildflower at the 12-month date even if it doesn’t make any demands on the Capital Commitment. If, however, GEM



As part of the transaction, Wildflower has agreed to issue 2,680,000 common share purchase warrants to GEM, subject to the terms and conditions of the Capital Commitment. The warrants are to be issued one for one with share issuance pursuant to the regulations of the Canadian Securities Exchange. The warrants have an exercise price equal to the greater of \$2.735 and the Market Price of the Common Shares on the date of the issuance of the warrants. The warrants will have an exercise period of five years. The warrant exercise price is subject to repricing to 105% of the market price on the first anniversary of the date of the Capital Commitment. The repricing must be done in accordance with the rules of the CSE. If the Company does not issue the warrants within 18 months of the initial execution of the Agreement, the Company shall pay GEM 8% of the original face value of any unissued warrants.

ABOUT WILDFLOWER

Wildflower is a cannabis company focused on developing and designing branded cannabis products. Wildflower sells its CBD+ products online and to retailers throughout the US and also produces and markets its THC products in regulated cannabis jurisdictions.

On Behalf of the Board of Directors

“William MacLean”

William MacLean



About GEM

Global Emerging Markets (“GEM”) is a global alternative investment group that manages a diverse set of investment vehicles and has offices in Paris, New York and Los Angeles. Since 1991, GEM has completed over 375 transactions across 70 countries. GEM’s investment vehicles provide the group and its investors with a diversified portfolio of asset classes that span the global private investing spectrum. Each investment vehicle has a different degree of operational control, risk-adjusted return and liquidity profile. Our family of funds and investment vehicles provide GEM and its partners with exposure to: Small-Mid Cap Management Buyouts, Private Investments in Public Equities (PIPEs) and select venture investments.

For more information,

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Cautionary and Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as "appear", "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the marijuana industry in general such as operational risks in growing; competition; incorrect assessment of the value and potential benefits of various transactions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals and changes in legislation, including but not limited to tax laws and government regulations. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive.

The forward-looking statements and information contained in this news release are



information, future events or otherwise, unless so required by applicable securities laws or the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

The Canadian Securities Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved of the contents of this press release.



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