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SAGITTARIUS CAPITAL CORPORATION (NEX BOARD: SCX.H)

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**SAGITTARIUS CAPITAL ANNOUNCES LETTER OF INTENT
WITH ISRAELI-BASED IRRI-AL-TAL LTD.**

January 16, 2018 - Toronto, Ontario - Sagittarius Capital Corporation (NEX Board: SCX.H) ("**Sagittarius**" or the "**Company**"), a capital pool company, is pleased to announce that it has entered into a letter of intent ("**LOI**") with Israeli-based Irri-al-Tal Ltd. ("**Irri-al-Tal**"), whereby Irri-Al-Tal will exchange ("**Share Exchange**") all its issued and outstanding common shares ("**IAT Shares**") for common shares in the capital of Sagittarius ("**SCX Shares**") and become a wholly-owned subsidiary of Sagittarius. The proposed transaction will constitute the Company's qualifying transaction (the "**Qualifying Transaction**" or "**QT**") under the policies of the TSX Venture Exchange (the "**Exchange**"). Following completion of the Qualifying Transaction, it is anticipated that the Company ("**Resulting Issuer**") will be a Tier 1 Industrial and Technology company.

About Irri-al-Tal

Irri-al-Tal is an Israeli irrigation and agriculture technology company and a global provider of smart irrigation and water systems solutions for agricultural producers. Irri-Al-Tal was established in 2004 and employs 15 people worldwide. Irri-Al-Tal develops, manufactures and delivers innovative solutions to agricultural growers which include: end-to-end solutions from the water source to the root zone; turnkey high-tech irrigation and greenhouse projects, supported by engineering and project management, in partnership with globally leading ag tech and integration companies. Irri-Al-Tal's past projects include vineyards, water reservoirs, fish farms, sorghum silos, fresh produce cooling rooms and more, in over 15 countries.

Irri-al-Tal has begun development of a proprietary cloud-based solution named Precise Irrigation System ("**PIS**") – a data logging device and system that is connected to basic elements of the irrigation system. The data collected by the PIS is sent to a cloud server, where it is compiled together with available exogenous data (weather, geographic data, growing data etc.), analyzed using smart algorithms and returned to the farmer with a simple set of instructions/recommendations regarding the real-time remote operations of the irrigation system. Irri-al-Tal's development plan is to include the PIS system as a default element in each new Irri-al-Tal irrigation system or as an upgrade for existing systems and ultimately create a valuable SaaS database for crops that use Irri-al-Tal's technology and its customers around the world.

Since inception, Irri-al-Tal has been 100% owned and funded by its CEO and founder Mr. Ohad Haber, who has over 30 years experience in the agricultural industry. Rapidly growing population and increasing scarcity of arable land that is suitable for agricultural use are the key drivers for the smart irrigation market (especially in the emerging markets), have been driving demand for Irri-al-Tal's product and service offerings. A vast segment of the market that is comprised of smaller scale projects in developing nations have remained under the radar of the large irrigation technology companies. These factors have been behind the need for external capital in order to capitalize on these opportunities. For more information regarding Irri-al-Tal please visit <http://www.irri-atal.com/>.

Transaction Summary

Under the terms of the LOI, as consideration for the Share Exchange, subject to Irri-al-Tal completing the Pre-QT Financing and Concurrent Financing (each as defined below) Sagittarius is expected to issue a total of 43,929,760 post-consolidation SCX Shares to the holders of IAT Shares. In addition, Sagittarius will also issue up to 1,200,000 warrants to purchase post-consolidation SCX Shares at a price of CAD\$0.33 per SCX Share ("**Initial Warrants**"), up to 5,000,000 warrants to purchase post-consolidation SCX Shares at a price of CAD\$0.65 per SCX Share ("**Concurrent Warrants**") and up to 992,000 broker warrants ("**Broker Warrants**") to purchase post-consolidation SCX Shares at exercise prices ranging from CAD\$0.25 to CAD\$0.50.

Prior to the completion of the QT, and subject to the receipt of shareholder approval, Sagittarius is expected to complete a share consolidation (the "**SCX Share Consolidation**") of the SCX Shares on a 2.9928 old SCX Shares for one (1) new SCX Share basis, such that Sagittarius would have 1,400,000 SCX Shares issued and outstanding prior to completion of the QT.

FMI Capital Advisory Inc. ("**FMICAI**") will act as an exclusive Canadian financial advisor to Irri-al-Tal and Yaniv Bresler Corporates Advisor ("**YB**") & Aloni Haft Investment Banking Ltd. ("**AHI**") will act as an exclusive Israeli financial advisors to Irri-al-Tal.

A prospectus in respect of the proposed QT will be prepared and filed in accordance with Policy 2.4 of the Exchange on SEDAR at www.sedar.com no less than seven (7) business days prior to the Closing.

Completion of the Qualifying Transaction remains conditional on completion of due diligence, receipt of all required regulatory, director and shareholder approvals, execution of definitive agreements and certain other conditions that are customary for transactions of this nature.

Pre-QT Financing and Concurrent Financing

The parties intend to complete a series of financings prior to completing the QT, as follows:

- Irri-al-Tal is currently undertaking a private placement ("**Pre-QT Financing**") of units of IAT ("**IAT Units**") at a price of CAD\$0.25 per IAT Unit for gross proceeds of up to a total of CAD\$600,000. Each IAT Unit will be comprised of one IAT Share and one half of one IAT Share purchase warrant (each whole warrant being referred to as an "**IAT Pre-QT Warrant**") exercisable into IAT Shares at a price of CAD \$0.33 per IAT Share. Irri-al-Tal may pay a finder's fee equal to 8% cash and 8% broker warrants to registered brokers and other finders where permitted by applicable securities legislation.
- Irri-al-Tal intends to complete a further financing immediately prior to closing of the Qualifying Transaction ("**Concurrent Financing**") for gross proceeds of a minimum of CAD\$3,000,000 and a maximum of CAD\$5,000,000 of units ("**QT Units**") at a price of CAD\$0.50 per QT Unit. Each QT Unit will be comprised of one IAT Share and one half of one IAT Share purchase warrant (each whole warrant being referred to as an "**IAT QT Warrant**") exercisable into IAT Shares at a price of CAD\$0.65 per IAT Share.

IAT Shares, IAT Pre-QT Warrants and IAT QT Warrants will be exchanged for SCX Shares, Initial Warrants and Concurrent Warrants respectively. It is expected that the net proceeds of the Pre-QT Financing and Concurrent Financing will be used to fund Irri-al-Tal's international marketing initiatives (focused on Mexico, Portugal, Eastern Europe and China), finance turn-key

projects in Latin America, finalize development and commercialization of Irri-al-Tal's proprietary Precise Irrigation smart device, listing costs and general working capital purposes.

Since the Resulting Issuer will be an issuer incorporated pursuant to *Business Corporations Act (Ontario)* and will involve an acquisition of a Significant Asset that is not located in Canada or the US, it is intended that the Concurrent Financing will be undertaken using a prospectus as the disclosure document.

Irri-al-Tal has engaged Foundation Markets Inc ("FMI"), a Toronto-based investment banking group registered as an exempt market dealer to act as an exclusive agent with respect to the Pre-QT Financing.

Irri-al-Tal Financial Information

Irri-al-Tal's unaudited financial statements for the years ended December 31, 2017, 2016 and 2015 disclose the following financial information:

	Year Ended December 31¹		
	2015	2016	2017
	In CAD (millions)		
Revenue	\$8,497,440	\$7,425,575	\$13,788,138
Gross Profit	\$1,177,387	\$1,203,301	\$2,453,419
Income Before Taxes	\$90,381	\$279,689	\$1,290,612
Net Income	\$64,216	\$208,661	\$967,571
Total Assets	\$3,989,976	\$4,497,111	\$6,602,303
Total Liabilities	\$4,172,305	\$4,480,148	\$5,617,012
Total Equity	-\$182,329	\$16,963	\$985,291

Proposed Management and Directors of the Resulting Issuer

The following are brief descriptions of the proposed management and directors of the Resulting Issuer:

Ohad Haber – President, CEO and Director. Mr Haber has 30 years of experience in the project management sales and marketing in the agricultural industry. Prior to founding Irri-al-Tal, between 1997-2002 Mr. Haber served as sales and operation manager of LATAM at Dan Sprinklers - an Israeli manufacturer of sprinklers and irrigation systems. Between 1992 – 1997 Mr. Haber served as the Head of Israel sales and marketing for Metzerplas Ltd. An Israeli manufacturer of drip irrigation systems. Mr. Haber has a vast operational experience in the area of open field and vineyard farms.

Meira Zada – CFO-Israel. Ms. Zada oversees Irri-al-Tal's finance team, including analytics, planning, and accounting. She is a certified public accountant and has over 13 years of public accounting experience. Between 2012 – 2013 Ms. Zada served as the CFO of Supermom

¹ Financial information presented herein is based on unaudited data provided by Irri-al-Tal's management. The figures are estimated at the prevailing CAD:NIS exchange rate on December 31 of each of the respective years. This data has not been reviewed by an auditor and shall not be relied upon to make investment decisions. Audited financial information is expected to be provided in the appropriate disclosure document to be filed by the Company with the appropriate regulatory authorities in the future. There is no assurance that the audited financial information will not materially differ from the figures presented in this news release.

SuperCom Ltd. (NASDAQ:SPCB). Between 2004 – 2010 Ms. Zada served as a financial controller at Elspec Ltd. a company listed on the Tel Aviv stock exchange. Ms. Zada is an Israeli CPA and holds a BA in Accounting and Economics from the Rupin College in Israel.

Ronnie Jaegermann – Director. Mr. Jaegermann is a highly experienced entrepreneur and investment banker. He has led multiple businesses in growing them from start-up to profitable companies that became take-out targets. Over the course of his career Mr. Jaegermann was successful raising over USD\$350 million, including over 14 raises on various European stock exchanges with a focus on retail and high-tech sectors. Recently, Mr. Jaegermann has assisted various international companies in listing on the Canadian stock exchanges and raising capital from private investors. Currently, Mr. Jaegermann is the Head of Investment Banking Advisory at Aloni Haft, a Tel-Aviv-based boutique investment bank focused on arranging for Israeli companies in international capital markets.

Amir Eylon – Projects Manager Irri-al-Tal. Mr. Eylon has over 30 years of experience in the field of pressurized irrigation and agricultural projects. He held several manager-level positions at large scale turnkey projects around the globe. Prior to joining Irri-al-Tal Mr. Eylon served as South America operations manager at Metzerplas – a kibbutz-based Israeli company focused on micro-irrigation products.

Amit Fischer – CTO. Mr. Fischer holds a B.Sc. with specialization in soil and water sciences Faculty of Agriculture Hebrew University and is Irri-al-Tal's head agronomist and CTO. Mr. Fischer has experience in irrigation and water supply systems design, hydraulics, plant-soil-water relations and other environmental issues. Prior to Irri-Al-Tal Mr. Fischer served as a commander in Israel's Navy Seals for five years.

Udi Doron – Independent Director. Mr. Doron has founded and ran several businesses based in Israel. He is currently a Managing Director at Medton Hedim, a hearing aid retail and manufacturing company and a Chairman of Polymer G, an innovative chemical company. Formerly Mr. Doron served as a partner at Orr Community Ventures - a \$40M fund providing equity capital to SMEs located in Israel's most under-developed regions, and as a CEO of various retail and manufacturing businesses. Mr. Doron holds a degree in business and economics management from Tel Aviv University.

Brian Presement – Independent Director. Mr. Presement has been the President and CEO of Unite Communications Corporation ("UNiTE") since its inception in 2001. Under his leadership, UNiTE has grown from a regional telecom provider offering a narrow set of services to a full scale telecom provider offering services to companies of all sizes all across Canada. Mr. Presement has over 25 years of telecommunications experience. Prior to UNiTE, Mr. Presement served as Vice President Business Development of VOXX Corporation, a telecom company. Mr. Presement is currently a Director and CEO of Sagittarius Capital Corp. Director of Plexus Cybermedia (a private digital media company), and a Director of Nutritional High International Inc. (CSE:EAT). Mr. Presement holds an Honours Bachelor of Arts Degree from York University with a double major in Mass Communications and Political Science.

It is expected that after completion of the Qualifying Transaction, the board of directors of the Resulting Issuer will be comprised of Ohad Haber, Ronnie Jaegermann, Udi Doron, Brian Presement and another director to be nominated by Sagittarius prior to closing. Udi Doron, Brian Presement and a Sagittarius nominee will serve as independent directors of the Resulting Issuer.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the

minority 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 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 a capital pool company 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 press release.

Forward-Looking Statements

This press release contains "forward-looking information", as such term is defined in applicable Canadian securities legislation. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. Accordingly, readers should not place undue reliance on forward-looking information. The forward-looking information in this press release is made as of the date of this press release, and each of Sagittarius and Alpaca disclaim any intention or obligation to update or revise such information, except as required by applicable law.

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