

## ZIDANE CAPITAL CORP.

### ZIDANE CAPITAL COMMENCES LEGAL ACTION AGAINST HYDRX FARMS

**January 19, 2017 – Vancouver, British Columbia** – Zidane Capital Corp. (“**Zidane**” - TSXV: ZZE.H) announced today that it has commenced a legal action in the British Columbia Supreme Court in Vancouver, British Columbia, against Hydrx Farms Ltd. (“**Hydrx**”).

The legal action is in respect of Hydrx’s proposed business combination (the “**CannSci & Hydrx Merger**”) with CannScience Innovations Inc. (“**CannSci**”) and Hydrx’s notice of purported termination of the amalgamation agreement (the “**Amalgamation Agreement**”) among Zidane, Hydrx and Precursor Capital Corp. (“**Precursor**”) dated January 12, 2016.

In the Amalgamation Agreement, Zidane, Hydrx and Precursor agreed to a business combination by way of a three-cornered amalgamation (the “**Zidane & Hydrx Merger**”), which was first announced by Zidane in a news release dated December 16, 2015.

Hydrx is a Licensed Dealer of cannabis and cannabis derivatives pursuant to the *Controlled Drugs and Substances Act* and is in the pre-licensing inspection stage in respect of its application to become a Licensed Producer under the *Access to Cannabis for Medical Purposes Regulations*. Notice of the proposed CannSci & Hydrx Merger and notice of purported termination were given to Zidane in December 2016 and January 2017, respectively, following the dramatic increase in the market value of the Canadian cannabis stocks listed on the TSX Venture Exchange and the TSX in the fall of 2016.

In the Notice of Civil Claim, Zidane claims, among other things, that:

1. In breach of the Amalgamation Agreement, Hydrx entered into or intends to enter into an agreement with CannSci to give effect the CannSci & Hydrx Merger pursuant to which Hydrx and CannSci would merge their businesses by way of a three-cornered amalgamation.
2. In breach of the Amalgamation Agreement, Hydrx concealed from Zidane its negotiations with CannSci and other steps taken in furtherance of the CannSci & Hydrx Merger, and has failed or refused to confirm the ongoing accuracy of its representations and warranties pursuant to the Amalgamation Agreement.
3. In breach of the Amalgamation Agreement, Hydrx has failed or refused to take steps in furtherance of completing the Zidane & Hydrx Merger and has not met its duty of honest performance of the Amalgamation Agreement.

In its legal action, Zidane is seeking, among other things, specific performance of the Amalgamation Agreement.

#### **About Zidane**

Zidane is a company existing under the laws of British Columbia, a reporting issuer in British Columbia and Alberta, and a capital pool company listed on the NEX board of the TSX Venture Exchange (the “**TSXV**”). Trading in the shares of Zidane are currently halted.

#### **Further Information**

For further information, please contact:

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*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.*

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