

Veritas Pharma Enters into Definitive Agreement to Acquire Indigenous Bloom Hemp Corporation

Vancouver, British Columbia--(Newsfile Corp. - September 9, 2020) - **Veritas Pharma Inc.** (CSE: VRT) (OTC Pink: VRTHF) (FSE: 2VPA) ("**Veritas**" or the "**Company**") is pleased to announce that it has entered into a business combination agreement dated September 4, 2020 (the "**Business Combination Agreement**") to acquire Indigenous Bloom Hemp Corporation ("**HempCo**") by way of a three cornered amalgamation pursuant to the provisions of the *Canada Business Corporations Act*. The transaction is at arm's length and constitutes a "fundamental change" under the policies of the Canadian Securities Exchange (the "**CSE**").

HempCo operates a large-scale industrial hemp farm in Southern Manitoba on approximately 347 acres of zoned farmland. The primary business of Hempco is the sale of hemp biomass, flower and phytocannabinoid rich extracts derived from the hemp biomass. Currently, Hempco is operating under a third-party cultivation license. However, HempCo has applied to Health Canada for its own license and will transition to that license once approved. HempCo's first hemp harvest is expected to be completed in October of this year. As of June 15, 2020, HempCo had current assets of \$558,160 (unaudited) and current liabilities of \$836,295 (unaudited). Veritas obtained an independent third party valuation which concluded that the fair market value of the Hempco shares on April 30, 2020 was in the range of \$23,000,000 to \$28,000,000.

Veritas interim CEO and CFO, Mr. Peter McFadden, commented, "It has been a long process, but we are now very excited to announce that we have executed the definitive agreement with Indigenous Bloom Hemp Corporation, which expects its inaugural hemp harvest to start in October of this year."

The following is a summary of the terms of the Business Combination Agreement:

1. HempCo will amalgamate (the "**Amalgamation**") with a wholly-owned subsidiary of Veritas and, upon completion of the Amalgamation, the amalgamated corporation will be a wholly-owned subsidiary of Veritas, will continue the business of Hempco and will be named "Indigenous Bloom Hemp Corporation".
2. Veritas will consolidate its common shares on a one post-consolidation share for two pre-consolidation shares basis (the "**Consolidation**") and, as consideration for the Amalgamation, Veritas will issue to the shareholders of Hempco post-consolidation common shares having an aggregate value of \$28,000,000 at a deemed price per share equal to the closing price of the Veritas shares on the CSE on the last trading day prior to the effective date of the Amalgamation.
3. The closing of the Amalgamation is subject to a number of conditions precedent, including conditional acceptance for filing by the CSE, approval of the Amalgamation and Consolidation by the shareholders of Veritas and approval of the Amalgamation by the shareholders of Hempco.
4. The effective date of the Amalgamation is expected to occur within five business days following the satisfaction or waiver of all the conditions precedent contained in the Amalgamation Agreement.
5. All post-consolidation common shares held by the principles of Veritas following the completion of the Amalgamation will be held in escrow for a period of 36 months, and will released from escrow as to 10% of the post-consolidation shares on the date the shares commence trading on the CSE following completion of the Amalgamation and as to 15% every six months thereafter.
6. Upon completion of the Amalgamation, the new board of directors and management of Veritas will be as follows:

Name	Title
Peter McFadden	Interim CEO and CFO

Mark Roseborough	Chairman of the Board
Nick Standish	Director
Blair Lowther	Director
Sharon Blady	Director
Howard Ash	Director
Greg Van Wyk	Director

To the knowledge of the Company, Michael Matvieshen of Kelowna, British Columbia is the only person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding shares of Hempco. No person is expected to own more than 20% of the issued and outstanding post-consolidation common shares of Veritas on completion of the Amalgamation.

About Veritas Pharma

Veritas Pharma Inc. has developed intellectual property relating to various cannabis strains. The Company's goal is to advance the science behind medical cannabis, by developing the most effective cannabis based treatments for specific disease conditions and to acquire income producing assets in the cannabis industry. The Company's mission is to commercialize its proprietary cannabis products. In addition, Veritas aims to utilize its expertise to enter into mergers and acquisitions with various cannabis industry participants in order to fulfil its goal of revenue generation by the end of the second quarter of 2020.

Veritas Pharma Inc. is a publicly traded company in Canada, on the Canadian Securities Exchange under the ticker VRT; in the United States, on the OTC under the ticker VRTHF; and in Germany, on the Frankfurt exchange under the ticker 2VP.

For more information, please visit our website: veritaspharmainc.com

On behalf of the Board of Directors

"Peter McFadden"

Peter McFadden

Interim Chief Executive Officer & CFO

Further information about the Company is available on our website at www.veritaspharmainc.com or under our profile on SEDAR at www.sedar.com, and on the CSE website at www.thecse.com.

Investor and Public Relations Contact

Veritas Pharma Inc.

Telephone: +1.416.918.6785

Email: ir@veritaspharmainc.com

Website: www.veritaspharmainc.com

The CSE has not reviewed, nor approved or disapproved the content of this press release.



To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/63522>