

Harbour Star Capital Inc.

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Harbour Star Capital Inc. Announces Letter of Intent with EastWest Science

CALGARY, ALBERTA - (June 2, 2017) – Harbour Star Capital Inc. ("**HSC**" or the "**Company**") (TSX VENTURE: HSC.P), a capital pool corporation, is pleased to announce that it has entered into a letter of intent dated May 17, 2017 (the "**LOI**") that provides for a business combination (the "**Transaction**") with EastWest Science Ltd. ("**EastWest**") a life sciences products company manufacturing, marketing, and distributing hemp-based products headquartered in Richmond, British Columbia, with a manufacturing, laboratory and warehouse facility located in Penticton, British Columbia. The Transaction is an arm's-length transaction and will constitute HSC's "Qualifying Transaction." The resulting issuer will be the surviving parent entity of EastWest upon completion of the Transaction, which is referred to herein as "**Newco**."

About EastWest Science

Eastwest is a category leading hemp consumer products company strategically positioned to enter mainstream consumer markets with wholistic natural products. The company has developed distribution channels into mainstream stores and markets in Canada, USA and strategic international markets in Asia and Europe. The company is committed to completing a vertical integration, seed-to-sale strategy forming a strategic alliance with Continental Agro-Trade Corporation, an open-field hemp growing and hemp seed processing company.

EastWest consumer product lines are divided into five distinct brands: 1) "Natural Advancement" natural biopharmaceutical health supplements; "Earth's Menu" all natural hemp superfoods; "Natural Pet Science" pet food and pet supplement products; "Chanvre::Hemp" all natural cosmetics and skin care products; and "HempFX" sports nutrition and performance products.

EastWest will focus on ongoing development of innovative, hemp-based consumer products known for their basis in developed science and clean, natural ingredients to complement its current product offerings.

EastWest is a corporation incorporated under the British Columbia *Business Corporations Act* on February 19, 2015, with its principal offices located in Richmond, British Columbia and Penticton, British Columbia and its registered office located in Vancouver, BC.

Concurrent with the execution of the Letter of Intent, EastWest Science has executed a letter of intent with Aquila Health Corp. ("**Aquila**"), a natural products supplement company with offices in Penticton, British Columbia and Sangster's Real Estate Corp. ("**Sangster's**"), a real estate development company with offices in Penticton, British Columbia (the "**Secondary LOI**") for the purchase by EastWest of 200 Health Canada approved natural product number (NPN's) assets from Aquila for a purchase price of CDN\$249,500 and a 31,000 square foot natural health products manufacturing, laboratory and warehousing facility located in Penticton, British Columbia (the "**Facility**") from Sangster's for a purchase price equal to the independently assessed value of the property, currently estimated at CDN\$2,100,000, for an aggregate purchase price of CDN\$2,349,750. Pursuant to the Secondary LOI, the purchases will occur concurrently with the completion of the Qualifying Transaction and will be paid as follows:

- (i) CDN\$1,210,000 by mortgage financing arranged by HSC on the Facility;
- (ii) CDN\$500,000 in cash (a minimum of \$300,000 to be paid at Closing with any residual payment to be paid in four equal monthly payments following Closing);
- (iii) CDN\$150,000 paid by HSC directly to creditors of Aquila following Closing in 4 equal monthly payments; and
- (iv) CDN\$489,750 to be paid by the issuance of an aggregate 1,959,000 HSC common shares at Closing at an issue price of \$0.25 per share (equal to the Financing (as defined below) share

price) - 398,000 HSC shares to Aquila and 1,561,000 HSC shares to Sangster's.

Summary of the Transaction

The Transaction is expected to be completed by way of a plan of arrangement, amalgamation, takeover bid, share exchange or other similar form of transaction and will consist of the following principal terms:

1. for each HSC common share (or option exercisable into a common share), a shareholder (or optionholder) of HSC shall receive consideration comprised of one Newco common share (or one option exercisable into one Newco common share, in the case of HSC optionees);
2. for each EastWest common share (or option exercisable into a common share), a shareholder (or option holder) of EastWest shall receive consideration comprised of one Newco common share (or one option exercisable into one Newco common share, in the case of EastWest optionees); and
3. to the extent that Newco shall no longer be EastWest or HSC, Newco shall own 100% of all of the outstanding capital stock and other equity securities of EastWest and HSC.

Depending on the style of business combination undertaken by the parties, the transaction may require the approval of the shareholders of HSC and/or EastWest in accordance with section 12.2(f)(v) of TSX Venture Exchange ("TSXV") Policy 2.4.

In conjunction with, or prior to, the Transaction, EastWest will complete a non-brokered private placement (the "**Financing**") of common shares at an issue price of \$0.25 per share for gross proceeds of not less than CDN\$500,000 (2,000,000 common shares). Proceeds of the Financing will be used for the purchases under the Secondary LOI (as outlined above) and for general corporate purposes.

EastWest currently has 35,079,779 common voting shares issued and outstanding, of which the only shareholder owning greater than 10% is Mr. Rodney Gelineau, CEO of the company, who owns 16,829,750 common shares (47.98%).

Effective on or prior to the close of the Transaction, an aggregate of 1,200,000 common shares of HSC shall be transferred from the current directors of HSC to EastWest (or its assignees) at a purchase price of \$0.075 per common share. As well, all of HSC's existing 746,850 stock options to acquire common shares of HSC together with 506,850 outstanding broker warrants will survive the completion of the Transaction, subject to early termination in accordance with their terms.

It is anticipated that the board of directors of Newco will consist of five members, one of whom will be a nominee of HSC and four of which will nominees of EastWest, as follows:

- Rodney Gelineau is President and CEO of EastWest Science Ltd. He has been active for over 25 years in finance and capital markets. He attended Douglas College before beginning his finance career with Midland Walwyn at age 19, where he quickly distinguished himself as a top deal-maker. Subsequently, he was employed by several boutique investment dealers in Canada as a corporate finance professional focusing on raising funding for junior listed issuers. In 2004, he founded Graydon Elliott Capital, an award-winning IIROC brokerage firm with offices in Western and Eastern Canada and the USA. He continues to work as an independent finance professional focusing on raising capital and capital structuring for companies;
- Richard Shatto is the CMO of EastWest with experience in strategic marketing and corporate administration. Mr. Shatto has 20+ years senior experience providing operational oversight for functions in marketing, communications, public administration and sales. He is currently President and CEO of Continental Agro Trade Corporation, an agricultural company growing licensed industrial hemp crops, a major supplier to EastWest Science, and is a Director at EastWest Science Ltd. Additionally, he is an independent business consultant for SME's and acts as interim administrative manager and director for several non-listed public companies including Haltain Developments Corp., Go Green Capital Corp., 1011705 BC Ltd., 1020645 BC Ltd. and Deeprock Minerals Inc. He has worked in marketing, communications and strategic business advisory capacities within several industry sectors including agriculture, knowledge-based,

cleantech, manufacturing and construction;

- John McPhail is President and CEO of I5 Holdings, a medical marijuana company in Canada and the USA. Previously, he was a retail broker and branch manager with several IIROC dealers including serving as Chief Executive Officer of Union Securities Ltd., joining in 2007 as Executive Vice President and Managing Director of Capital Markets. He has a wealth of industry experience beginning as a floor trader at the Vancouver Stock Exchange in 1982. Since then, he has held a variety of senior positions, including National Retail Manager and Director at Yorkton Securities and Executive Vice President and Director of Research Capital Corporation. Most recently he was General Manager of Global Securities in Vancouver BC, resigning in 2017 to join I5 Holdings;
- Douglas Horne is currently Chairman and CEO of Goldenleaf Capital Group, a boutique investment and project management firm. Previously, he was a Canadian politician who was elected as a BC Liberal Member of the Legislative Assembly of British Columbia in the 2009 provincial election representing the riding of Coquitlam-Burke Mountain. He was the Deputy Speaker of the Legislative Assembly of British Columbia. He previously served as the Premier's Parliamentary Secretary, as well as Deputy Chair of the Committee of the Whole (Chair of the Committee of Supply) and also served as the Chair of the Select Standing Committee on Finance and Government Services (2012–13), Deputy Chair of the Select Standing Committee for Public Accounts (2009–13) and a Member of the Select Standing Committee for Children and Youth (2009–13) for the Legislative Assembly of British Columbia. He served on the Provincial Treasury Board, the Legislative Review Committee and the Local Government Elections Task Force during his first term of office. Prior to being elected Horne was a corporate executive specializing in corporate finance and business development. He resigned from the legislature on August 14, 2015 to run as the Conservative Party of Canada candidate for Coquitlam—Port Coquitlam in the 2015 federal election. Mr. Horne has strong connections for finance and strategic national and international partnerships;
- Mr. Mohammad Fazil, President and CEO of HSC, has been active in venture capital for 20 years. He is the President and a Director of Bow Energy Inc., an international oil and gas company listed on the TSXV, is President and Director of Fulucai Productions Ltd., an oil and gas company listed on the OTCBB, and is a Director of Georox Resources Inc., an oil and gas company listed on the TSXV. Prior to Bow, Fulucai and Georox, he was employed by boutique investment dealers in Canada as a corporate finance professional focusing on raising funding for junior listed issuers on the TSX and TSXV.

A general policy of the TSXV requires that a sponsor be retained to prepare a sponsor report in compliance with TSXV Policy 2.2. It is expected that application will be made for a waiver of the sponsorship requirement, though there can be no assurance that a waiver request will be granted.

Trading in the common shares of HSC will remain halted until certain required documents have been provided to the TSXV. The Company will issue a subsequent news release including a summary of key financial information with respect to EastWest (i.e. revenue, gross profit, expenses, net loss and comprehensive loss, total assets, total liabilities, and shareholders' equity, etc.) in accordance with section 12.2(b)(iii) of TSXV Policy 2.4 and identify the prospective management of the resulting issuer.

Completion of the Transaction is subject to a number of conditions, including but not limited to, approval by shareholders of EastWest and HSC, if necessary, completion of the Financing and acceptance of the Transaction by the TSX Venture Exchange. 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.

For further information, please contact: **Mohammad Fazil:** President and Chief Executive Officer of Harbour Star Capital Inc. at: Telephone: (403) 613-7310

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.