

Hope Well Capital Corp.* Announces LOI to Acquire Forward Water Technologies Inc.

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TORONTO, Feb. 9, 2021 /CNW/ - **Hope Well Capital Corp.*** (TSXV: HOPE) ("**HWCC**" or the "**Company**"), a capital pool company as defined under Policy 2.4 – Capital Pool Companies ("**CPC**") of the TSX Venture Exchange (the "**TSXV**"), is pleased to announce it has entered into a letter of intent dated February 3, 2021 (the "**LOI**") with Forward Water Technologies Inc. ("**FWT**"), a private company incorporated under the *Business Corporations Act* (Ontario), whereby HWCC acquires all of the issued and outstanding securities of FWT, with such acquisition constituting a reverse take-over of HWCC (the "**Transaction**"), subject to the terms and conditions outlined below. HWCC as the resulting issuer following the completion of the Transaction (the "**Resulting Issuer**") will continue on the business of FWT. HWCC intends that the Transaction will constitute its Qualifying Transaction, as such term is defined in the policies of the TSXV.

FWT has developed a patented industrial wastewater treatment system that allows manufacturing operations to clean their wastewater that would otherwise require costly disposal. The system also enables the reclamation of up to 90% of the waste as clean water and the return of this valuable resource to the environment. Alternatively, the clean water can be reused by the manufacturing operation to reduce their overall water consumption and environmental footprint.

FWT is excited to bring this technology to market and meet the demand for enhanced water stewardship. CEO, Howie Honeyman says, "With the financial strength FWT acquires from this merger and concurrent capital raise, FWT will be able to drive adoption in the global opportunities it has already identified." In 2019, FWT completed a full commercial demonstration of the technology by treating Oil and Gas source wastewater, the results of which illustrated the effectiveness and economics of the process. "This was highly contaminated waste water and was destined for non-recoverable deep well disposal or energy intensive thermal treatments", Honeyman says. "The fact that FWT could recover up to 90% of the waste volume as clean reusable water serves to illustrate what can be accomplished in the field by adopting this new technology".

In 2020, FWT advanced its early commercialization efforts by establishing a number of relationships across multiple industries and geographies. One of these efforts culminated late last year in the signing of the Company's first technology license transfer contract with a well-established Indian based engineering services firm. Currently, its partner in India is already involved in commercial trials on multiple sites and will expand the use of FWT's technology throughout that region over 2021 and beyond. This effort combined with the multiple opportunities FWT has identified within North America and Europe will lead to rapid global adoption of the technology.

Summary of the Qualifying Transaction

The LOI contemplates HWCC and FWT completing an arm's length business combination transaction, pursuant to which Resulting Issuer shares will be issued to holders of shares of FWT.

HWCC currently has 7,724,999 common shares (the "**HWCC Shares**") issued and outstanding. Additionally, HWCC has 772,499 options outstanding under its incentive stock option plan, and subject to shareholder approval, may grant 625,000 agent's options to replace the agent's options granted on closing of HWCC's initial public offering. Prior to the completion of the Brokered Private Placement, FWT has 11,032,000 FWT common shares (the "**FWT Shares**") issued and outstanding, convertible debt in the aggregate principal amount of \$1,5156,666 convertible into a total of

1,652,379 FWT Shares, and commitment to issue 220,640 FWT shares to a finder.

Pursuant to the Transaction, the FWT Shares, including all FWT Shares and other securities issued pursuant to the Brokered Private Placement, will be acquired by HWCC in consideration of HWCC issuing five (5) HWCC Shares for each one (1) FWT Share issued and outstanding immediately prior to Closing (the "**Exchange Ratio**"). Any FWT Shares, warrants and broker options issued by FWT in the Brokered Private Placement will be acquired by HWCC and replaced by such number of shares, warrants and broker options of the Resulting Issuer with the number of securities and exercise price adjusted based on the Exchange Ratio.

Upon completion of the Transaction and the minimum Brokered Private Placement, the non-diluted common shares of the Resulting Issuer shall be held as follows: FWT securityholders – 69.01%; Brokered Private Placement subscribers – 22.73%; and existing HWCC shareholders – 8.26%. Accordingly, on completion of the Transaction, the security holders of FWT would own a majority of the issued and outstanding shares of the Resulting Issuer. The common shares of the Resulting Issuer will be listed for trading on the TSXV. Further information about the proposed Transaction will be provided in a subsequent news release.

The parties to the Transaction are at arm's length and it is therefore anticipated that the approval of the shareholders of HWCC in respect of the Transaction will not be required. The Company does plan to hold a meeting of shareholders whereat, among other things, the shareholders of HWCC will be asked to approve, among other things: (i) the change of name of HWCC to a name provided by FWT; and (ii) the appointment of a new slate of directors, conditional upon completion of the Transaction. It is anticipated that the Transaction and the definitive agreement in respect of the Transaction (the "**Definitive Agreement**") will be put before the shareholders of FWT for their approval.

Pursuant to the terms of the LOI, until the earliest of (i) the execution of the Definitive Agreement; (ii) mutual agreement of HWCC and FWT; or (iii) the termination of the LOI in accordance with its terms, HWCC and FWT have agreed not to solicit, negotiate, accept or discuss with any other entity, any transaction that would be in opposition to or in competition with the Transaction. In the event that either HWCC or FWT terminates the LOI, other than for certain prescribed reasons, the non-terminating party shall be entitled to the reimbursement of its out of pocket costs and expenses from the date of the LOI to the date of termination.

Trading in the HWCC Shares has been halted since May 10, 2019. Trading will remain halted until, among other things, HWCC completes certain regulatory filings in connection with the Transaction with the TSXV and the TSXV has completed certain matters it considers necessary or advisable, or until the completion of the Transaction.

Brokered Private Placement

In connection with the Transaction, it is anticipated that FWT will be completing a brokered financing of FWT units (the "**FWT Units**") or subscription receipts convertible into FWT Units (the "**Brokered Private Placement**") to raise a minimum \$4,250,000 and a maximum of \$6,500,000 at a price of \$1.00 per FWT Unit to be completed prior to closing of the Transaction (the "**Closing**") and on such other terms and conditions satisfactory to FWT, acting reasonably. Each FWT Unit will be comprised of one (1) FWT Share and one-half of one FWT warrant (each whole warrant, an "**FWT Warrant**"). Each FWT Warrant will entitle the holder to acquire one FWT Share at \$1.25 per share during 24 months from the Closing date of the Transaction (the "**Closing Date**"). FWT also expects to issue broker options equal to 7% of the FWT Units sold to acquire FWT Units during 24 months from the Closing Date. Immediately prior to completion of the Transaction, any subscription receipt issued in the Brokered Private Placement, will automatically convert into one FWT Unit. All proceeds of a FWT subscription receipt financing will be held in escrow pending the concurrent completion of the Transaction and will be returned to subscribers in the event the Transaction is not completed.

The Definitive Agreement will provide that the parties acknowledge and agree that the terms of the Brokered Private Placement may be amended by FWT with the prior written consent of HWCC. Certain existing shareholders of FWT have indicated that they intend to participate in the Brokered Private Placement.

Subject to applicable laws and TSXV Policies, it is anticipated that all Resulting Issuer shares issued in exchange for the FWT Shares (including the FWT Shares issued upon conversion of the FWT Units issued in Brokered Private Placement) on the Closing Date will be freely tradable common shares of the Resulting Issuer upon completion of the Transaction.

Description of Significant Conditions to Closing

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the negotiation of the Definitive Agreement; (ii) receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents; (iii) the absence of any material change or a change in a material fact or a new material fact affecting HWCC or FWT; (iv) completion of the Brokered Private Placement (as defined below); and (v) if applicable, each company having received appropriate approvals from their shareholders. There can be no assurance that the Transaction will be completed on the terms proposed above or at all.

If completed, the proposed transaction is expected to constitute HWCC's Qualifying Transaction under Policy 2.4 of the TSXV.

Completion of the Qualifying Transaction is subject to a number of conditions including but not limited to, due diligence, TSXV acceptance and if required by TSXV policies, majority of the minority shareholder approval. Where applicable, the Qualifying Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Qualifying 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 Qualifying Transaction, any information released or received with respect to the Qualifying 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 TSXV has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved the contents of this press release.

The Resulting Issuer

Upon completion of the Transaction, the Resulting Issuer is expected to change its name to Forward Water Technologies Corp. or such other name as determined by FWT and the Resulting Issuer will be a technology issuer under the TSXV Rules.

Concurrent with the completion of the Transaction, it is expected that all directors and officers of HWCC will resign, other than one HWCC director nominee, and be replaced by nominees put forth by FWT. Additional directors will be added to the board of directors of the Resulting Issuer (the "**Board**") in the normal course and once identified, information with respect to the proposed additional directors will be included in a subsequent news release.

Arm's Length Transaction

The proposed Transaction is an arm's length transaction in accordance with the policies of the TSXV and is not subject to HWCC shareholder approval.

Sponsorship

FWT is proposing to apply to the TSX-V for an exemption from applicable sponsorship requirements, failing which FWT will ask the lead agent of the Brokered Private Placement to act as sponsor.

About HWCC

HWCC is a CPC governed by the policies of the TSXV. HWCC's principal business is the identification and evaluation of assets or businesses with a view to complete a Qualifying Transaction. Investors are cautioned that trading in the securities of a CPC should be considered highly speculative.

About Forward Water Technologies Inc.

Forward Water Technologies Inc., is an Ontario corporation. The company is dedicated to the commercialization of its proprietary forward osmosis technology. FWT's corporate office is located in Mississauga, Ontario and its research, development and engineering office is located in Sarnia, Ontario.

Website: forwardwater.com

Additional Information

A comprehensive press release with further particulars relating to the Transaction, including further particulars of the Resulting Issuer and the Brokered Private Placement, will follow in accordance with the policies of the TSXV. In addition, a summary of FWT's financial information will be included in subsequent news release.

All information contained in this press release with respect to HWCC and FWT was supplied, for inclusion herein, by the respective parties and each party and its directors and officers have relied on the other party for any information concerning the other party.

Cautionary Note

As noted above, completion of the Transaction is subject to receipt of all requisite regulatory, stock exchange, court or governmental approvals, authorizations and consents, approval of the shareholders of FWT and HWCC (as applicable), and completion of the Brokered Private Placement by FWT. Where applicable, the Transaction cannot close until the required approvals have been 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 continuous disclosure document containing full, true and plain disclosure regarding the Transaction, required to be filed with the securities regulatory authorities having jurisdiction over the affairs of the Company, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. The trading in the securities of HWCC on the TSXV should be considered highly speculative.

Trading in the common shares of the Company is presently halted and is expected to remain halted pending closing of the Transaction. While halted, the common shares of the Company may only trade upon TSXV approval and the filing of required materials with the TSXV as contemplated by TSXV policy.

Forward-Looking Information

Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. When used in this press release, the words "estimate", "project", "belief",

"anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include information relating to the business plans of HWCC and FWT, FWT management's expectation on the commercialization of its technology, the Transaction (including TSXV approval, court approval, and the closing of the Transaction), the board of directors and management of the Resulting Issuer upon completion of the Transaction and the Brokered Private Placement. Such statements and information reflect the current view of HWCC and/or FWT, respectively. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: (i) there is no assurance that HWCC and FWT will obtain all requisite approvals for the Transaction, including the approval of their respective shareholders (as applicable), the approval of the TSXV for the Transaction (which may be conditional upon amendments to the terms of the Transaction) or court approval of the Transaction; (ii) there is no assurance the Brokered Private Placement will be completed as contemplated or at all; (iii) following completion of the Transaction, the Resulting Issuer may require additional financing from time to time in order to continue its operations and financing may not be available when needed or on terms and conditions acceptable to the Resulting Issuer; (iv) new laws or regulations could adversely affect the Resulting Issuer's business and results of operations; and (v) the stock markets have experienced volatility that often has been unrelated to the performance of companies. These fluctuations may adversely affect the price of the Resulting Issuer's securities, regardless of its operating performance. There are a number of important factors that could cause HWCC's and FWT's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others: currency fluctuations; limited business history of HWCC; disruptions or changes in the credit or security markets; results of operation activities and development of projects; project cost overruns or unanticipated costs and expenses, and general market and industry conditions. The terms and conditions of the Qualifying Transaction may be based on the Company's due diligence and the receipt of tax, corporate and securities law advice for both the Company and FWT. The Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, FWT, their securities, or their respective financial or operating results (as applicable).

HWCC cautions that the foregoing list of material factors is not exhaustive. When relying on HWC'Cs forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. HWCC has assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. The forward-looking information contained in this press release represents the expectations of HWCC as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. HWCC does not undertake to update this information at any particular time except as required in accordance with applicable laws.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an

offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Transaction and has neither approved nor disapproved the contents of this press release.

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 press release.

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Hope Well Capital Corp. is in no way affiliated with or related to Hopewell Capital Corporation, a separate pre-existing business purportedly engaged in the field of venture capital across Canada, or the Hopewell Group of Companies' multi-faceted real estate and logistics group

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