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BUFFALO CAPITAL INC. ANNOUNCES ITS QUALIFYING TRANSACTION AND A CONCURRENT FINANCING

August 9, 2017, Winnipeg, Manitoba: Buffalo Capital Inc. (TSX.V: BUFF.P - the "**Company**" or "**Buffalo**"), a capital pool company ("**CPC**"), is pleased to announce it has entered into an amalgamation agreement dated August 8, 2017 (the "**Agreement**") with Waverley Pharma Inc. ("**Waverley**"). Waverley is a specialty pharmaceutical company that is dedicated to the development and commercialization of safe, effective and affordable oncology drugs. Pursuant to the Agreement, Buffalo and Waverley will amalgamate (the "**Amalgamation**") under the *Canada Business Corporations Act* (the "**CBCA**"). Buffalo intends that the Amalgamation will constitute its Qualifying Transaction, as such term is defined in the policies of the TSX Venture Exchange (the "**Exchange**").

Summary of the Qualifying Transaction

The Agreement contemplates Buffalo and Waverley completing a non-arm's length business combination transaction by way of amalgamation pursuant to the CBCA to continue as a new company, Waverley Pharma Inc. (the "**Resulting Issuer**"). Each common share in the capital of Buffalo (the "**Buffalo Shares**") that is outstanding immediately prior to the Amalgamation (other than Buffalo Shares held by shareholders of Buffalo (the "**Buffalo Shareholders**") who exercise their dissent rights) shall be converted into one (1) issued and fully paid and non-assessable common shares in the share capital of the Resulting Issuer (the "**Resulting Issuer Shares**") at a deemed price of \$0.50 per Resulting Issuer Share. Each Class "A" common share in the capital of Waverley (the "**Waverley Shares**") that is outstanding immediately prior to the Amalgamation (other than Waverley Shares held by shareholders of Waverley (the "**Waverley Shareholders**") who exercise their dissent rights) shall be converted into 400,000 issued and fully paid and non-assessable Resulting Issuer Shares at a deemed price of \$0.50 per Resulting Issuer Share. Upon completion of the Amalgamation and assuming the Concurrent Financing (as defined herein) is fully-subscribed, former holders of Buffalo Shares will hold, in the aggregate 13,000,000 Resulting Issuer Shares representing approximately 24.5% of the outstanding Resulting Issuer Shares and the former holder of Waverley Shares will hold, in the aggregate 40,000,000 Resulting Issuer Shares representing approximately 75.5% of the outstanding Resulting Issuer Shares.

As a result of the Amalgamation, Buffalo will essentially acquire Waverley through the issuance of 40,000,000 Resulting Issuer Shares at a deemed price of \$0.50 per Resulting Issuer Share for aggregate deemed consideration of \$20,000,000, exclusive of the Resulting Issuer Shares issuable pursuant to the Concurrent Financing.

The Resulting Issuer Shares to be issued pursuant to the Amalgamation will be issued pursuant to exemptions from the prospectus requirements of applicable securities legislation and certain of the

Resulting Issuer Shares issued to insiders of Waverley will be subject to escrow conditions, as required by the Exchange.

Buffalo expects that the Amalgamation will result in the Resulting Issuer being a Tier 2 Life Sciences Issuer on the Exchange. Dr. Albert D. Friesen, an officer and a director of Buffalo, indirectly owns and controls Waverley. As a result, the Amalgamation is a Non-Arm's Length Qualifying Transaction (as defined by the policies of the Exchange). The Amalgamation must be approved by not less than 66^{2/3}% of the votes cast at the meeting (the "**Buffalo Meeting**") of Buffalo Shareholders. In addition "Majority of the Minority" approval will be required from disinterested Buffalo Shareholders. It is expected that the Buffalo Meeting will be held on or about October 6, 2017 and a management information circular will be provided to Buffalo Shareholders in due course.

The completion of the Amalgamation is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the completion of the Concurrent Financing; (ii) the approval by the shareholders of Buffalo to complete the Amalgamation; (iii) the absence of any material adverse change, material litigation, claims, investigations or other matters affecting Buffalo and Waverley, including any subsidiary of Waverley; (iv) the closing of the acquisition by Waverley of a marketing rights for each of WAV-101 and WAV-102 (each as defined herein); and (v) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Exchange. There can be no assurance that the Amalgamation will be completed on the terms proposed above or at all.

Reasons for and Benefits of the Amalgamation

The directors and management of Buffalo believe that the Amalgamation is in the best interests of the Buffalo Shareholders and that the Amalgamation provides a number of benefits for the Buffalo Shareholders including, but not limited to, the following: (a) following the Amalgamation, the Resulting Issuer will have significantly greater financial and business resources than Buffalo; (b) Buffalo Shareholders will gain exposure to Waverley's operations, including the development and commercialization of certain oncology drugs; (c) Buffalo Shareholders will receive a premium to Buffalo's current share price; and (d) Buffalo Shareholders will have the opportunity to participate in a combined company that will have increased market capitalization resulting in increased liquidity for Buffalo Shareholders.

The sole director and officer of Waverley believes that the Amalgamation is in the best interests of the Waverley Shareholder and that the Amalgamation provides a number of benefits including provision of a public listing, which provides Waverley with a greater ability to access capital and increased liquidity.

Board Recommendations

The board of directors of Buffalo has unanimously approved the Amalgamation Agreement (Albert D. Friesen abstaining) and (i) determined that the Amalgamation is in the best interests of Buffalo and the Buffalo Shareholders; (ii) approved the Amalgamation Agreement and the transactions contemplated thereby; and (iii) recommends approval of the Amalgamation by Buffalo Shareholders. The sole director and sole shareholder of Waverley have also each approved the Amalgamation Agreement.

Concurrent Financing

A condition to the completion of the Amalgamation, is that Buffalo complete a financing for gross proceeds of up to \$5 million (the "**Concurrent Financing**"). It is anticipated that this financing will be undertaken as a "best efforts" brokered private placement of up to 10,000,000 Buffalo Shares at a price of \$0.50 per share and that it will close immediately prior to the closing of the Amalgamation. PI Financial Inc. has been engaged to act as lead agent (the "**Agent**") in connection with the Concurrent Financing and will be paid a cash commission of 7% of the gross proceeds of the Concurrent Financing. The Agent will also be entitled to receive up to 700,000 warrants (the "**Broker Warrants**"). Each Broker Warrant shall entitle the Agent to acquire one Buffalo Share at a price of \$0.50 for a period of 24 months following the completion of the Amalgamation.

Proceeds of the Concurrent Financing are currently expected to be used to file applications in the European Union (target date Q4 2017) and North America (target date Q1 2018) for the approval of its generic oncology products, WAV-101 and WAV-102, and for general corporate purposes.

The Resulting Issuer

It is estimated that there will be approximately 53,000,000 common shares of the Resulting Issuer issued and outstanding immediately following closing of the Amalgamation and the Concurrent Financing (57,200,000 on a fully-diluted basis), with former Buffalo shareholders holding approximately 5.7% of such common shares, former Waverley shareholders holding approximately 75.5% of such common shares and subscribers under the Concurrent Financing holding approximately 18.9% of such common shares.

Upon completion of the Transaction the management of the Resulting Issuer will include the persons identified below:

Albert D. Friesen –Director

Dr. Friesen is the President, Chief Executive Officer and a director of Medicure Inc. (TSXV: MPH), a specialty pharmaceutical company focused on the development and commercialization of therapeutics for the U.S. hospital market. Dr. Friesen is also the President and founder of Genesys Venture Inc. ("**GVI**"), a private company which provides the expertise for launching and managing

emerging health and biotechnology ventures. Dr. Friesen has been involved with the founding and development of several other private and public health industry companies including: ABI Biotechnology Inc. (now Apotex Fermentation Inc.), a biotech company providing services in research, process development, scale-up and manufacturing of fermentation based products, including active pharmaceuticals and nutraceuticals; and the Winnipeg Rh Institute, where he led the development of Canada's first biotech product, WinRho. Dr. Friesen was a founder and the first Board of Director Chair of the Industrial Biotechnology Association of Canada (now BIOTECCanada).

Dr. Friesen holds a Ph.D. in protein chemistry from the University of Manitoba.

Dr. George Thomas - Chief Executive Officer, President and Corporate Secretary

Dr. Thomas has held senior executive positions at Torrent Pharmaceuticals Research Centre, India, where he led teams responsible for setting up in vitro and in vivo assays, managing outsourced studies, pharmacokinetic and toxicological studies and clinical trials. In addition, he has been responsible for the scientific evaluation of various technologies for license or acquisition from industry and academia. In his role with CentreStone Ventures, a life sciences focused venture capital fund, Dr. Thomas has been actively involved in the scientific assessment and feasibility of various business opportunities, sourcing new opportunities, and taking executive leadership positions with investee companies.

Dr. Thomas holds a Master of Pharmacy degree and Ph.D. from the Birla Institute of Technology and Sciences, Pilani, India. He received his post-doctoral training at the Faculty of Medicine, University of Toronto and also holds an MBA from the Ivey School of Business, London, Ontario.

Pieter J. de Visser - Chief Financial Officer and Director

Mr. de Visser was the managing and founding partner of DeVisser Gray LLP, Chartered Professional Accountants, a Vancouver firm that has provided services to the mining community for 25 years. He currently acts as an advisor to the firm. Mr. de Visser has been a member of a technical advisory committee to the British Columbia Securities Commission. Mr. de Visser is a director of Camino Minerals Corporation (TSXV: COR) and was previously the Chief Financial Officer of Pretium Resources Inc. (TSX/NYSE: PVG). Mr. de Visser has also acted as Chief Financial Officer and Director of multiple TSXV-listed mining and life science companies.

Mr. de Visser holds a Bachelor of Commerce degree from the University of British Columbia and is a Chartered Professional Accountant.

P. Marcus Enns – Director

Mr. Enns is the Vice President, Corporate Affairs of GVI, overseeing treasury activities and contract administration for the company and assisting in both private and public fundraising activities for

GVI's client companies. Mr. Enns was previously a Vice President and Secretary of Miraculins Inc. (TSXV: MOM) (now Luminar Medical Technologies Inc.) and a Vice President of Kane Biotech Inc. (TSXV: KNE) and was involved with bringing each of these companies public in 2002 and 2003 respectively. Mr. Enns is currently the Chair of the Board of the Rosenort Credit Union.

Marcus Enns obtained his Bachelor of Commerce (Hons.) degree from the University of Manitoba.

Hellen Siwanowicz – Director

Ms. Siwanowicz is a lawyer with over 25 years of business law experience. From 1991 to 2016, Ms. Siwanowicz practiced law at McMillan LLP and its predecessor, Lang Michener LLP, with an emphasis on securities law. Ms. Siwanowicz has significant experience advising public companies on corporate finance, mergers and acquisitions and corporate governance matters.

Ms. Siwanowicz holds a Bachelor of Science degree from the University of Toronto and an LL.B degree from the University of Toronto.

Sponsorship of the Qualifying Transaction

Sponsorship of a "Qualifying Transaction" of a CPC is required by the Exchange unless exempt therefrom in accordance with the Exchange's policies. Given the size and nature of the Amalgamation, including the amount of the Concurrent Financing, Buffalo intends to apply for an exemption from the sponsorship requirements pursuant to the policies of the Exchange. If the exemption is not granted by the Exchange, then Buffalo would be required to engage a sponsor.

Other Matters

At the Company's request, trading in the Buffalo's Shares has been halted by the Exchange. Trading is expected to remain halted until, at the earliest, the completion of the Amalgamation.

As part of the Agreement, Waverley and Buffalo have agreed not to solicit or negotiate with any other entities in regard to a transaction similar to the Qualifying Transaction.

Each of Buffalo and Waverley will bear their own costs in respect of the proposed transaction.

About Buffalo Capital Inc.

Buffalo is a CPC that completed its initial public offering and obtained a listing on the Exchange in April 2017 (trading symbol: "BUFF.P"). Prior to entering into the Agreement, Buffalo did not carry on any active business activity other than reviewing potential transactions that would qualify as Buffalo's Qualifying Transaction.

About Waverley Pharma Inc.

All information in this Press Release relating to Waverley is the sole responsibility of Waverley. Management of Buffalo has not independently reviewed this disclosure nor has Buffalo's management hired any third party consultants or contractors to verify such information.

Waverley is a private, federal company, incorporated under the *Canada Business Corporations Act* in 2014, with a wholly-owned subsidiary, Waverley Pharma International Inc. ("**WPI**"), incorporated in Barbados. Waverley is based in Winnipeg, Manitoba and is active in the innovation, design and development of novel small molecule drugs for the pharmaceutical industry. Dr. Albert D. Friesen (Winnipeg, Manitoba), an officer and director of Buffalo, is the majority shareholder of, and controls, the corporate entity that is the sole shareholder of Waverley.

Waverley is a specialty pharmaceutical company that is dedicated to the development and commercialization of safe, effective and affordable oncology drugs. Waverley's initial research project was the development of a novel poly (ADP-ribose) polymerase 1 (PARP-1) inhibitor for cancer treatment. Inhibitors of PARP-1 are a newer class of anti-cancer agents of clinical importance in various types of cancer.

In an effort to augment the product pipeline and vastly reduce the time to revenue and profitability, Waverley's current focus is on the generic oncology injectable market in the European Union and North America. Recently, Waverley, through WPI, entered into a binding term sheet with Reliance Life Sciences Private Limited, based in Mumbai, India, in order to obtain a license to market, sell and distribute two generic oncology products, dubbed *WAV-101* and *WAV-102*. Waverley is also beginning to build a pipeline of injectable products, through entering into partnerships, in different stages of development.

WAV-101 is an injectable generic chemotherapy drug, developed for the treatment of non-small cell lung cancer and pleural mesothelioma. Currently, there are no marketed generics for this product and the brand generates yearly revenue of over USD 1 billion. *WAV-102* is also an injectable generic chemotherapy drug, developed for the treatment of multiple myeloma and mantle cell lymphoma. Currently, there are no marketed generics for this product and the brand generates yearly revenue of over USD 800 million. As the drug substance and drug product patents for the branded version of these two drugs near expiry, several generics are expected to compete in these therapeutic segments.

Waverley plans to file applications in its marketing territories i.e., the European Union (target date of Q4 2017) and North America (target date of Q1 2018) for the approval of its generic oncology products, *WAV-101* and *WAV-102*. Through its extensive contacts and marketing relationships, Waverley plans to commercialize the products. In addition to its head office in Canada and wholly-owned subsidiary in Barbados, Waverley is exploring establishing a subsidiary in the European Union

to help advance its products. This would help navigate the regulatory process and realize commercial potential of Waverley's innovative products in the region.

To date, Waverley has had minimal business operations and its only significant asset pertains to the its rights to *WAV-101* and *WAV-102* as set forth in the binding term sheet with Reliance Life Sciences Private Limited. The following is a summary of certain unaudited financial information of Waverley for the years ended December 31, 2016, 2015 and 2014:

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Income Statement Data			
Total Expenses	\$1,078	\$10,646	-
Net Loss	\$1,078	\$10,646	-

	As at December 31, 2016	As at December 31, 2015	As at December 31, 2015
Balance Sheet Data			
Total Assets	\$100	\$100	\$100
Total Liabilities	\$11,724	\$10,646	-

Cautionary Note

As noted above, completion of the Amalgamation is subject to a number of conditions including, without limitation, approval of the Exchange, approval of the shareholders of Buffalo, including on a "Majority of the Minority Approval" basis, approval of the sole shareholder of Waverley and completion of the Concurrent Financing by Buffalo. Where applicable, the Amalgamation cannot close until the required approvals have been obtained. There can be no assurance that the Amalgamation 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 Amalgamation and related transactions, 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 Amalgamation may not be accurate or complete and should not be relied upon. The trading in the securities of Buffalo on the Exchange, if reinstated prior to completion of the Amalgamation, should be considered highly speculative.

ON BEHALF OF THE BOARD OF DIRECTORS:

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Disclaimer for Forward-Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect Buffalo's current expectations. 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 Buffalo, Waverley, and the Resulting Issuer, the Concurrent Financing, the Amalgamation (including Exchange approval and the closing of the Amalgamation) and the board of directors and management of the Resulting Issuer upon completion of the Qualifying Transaction. Such statements and information reflect the current view of Buffalo. 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:

- there is no assurance that the Concurrent Financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with the Financing. In particular, the amount raised may be significantly less than the amounts anticipated as a result of, among other things, market conditions and investor behaviour;
- there is no assurance that Buffalo and Waverley will obtain all requisite approvals for the Amalgamation, including the approval of the Buffalo Shareholders, the Waverley Shareholder or the approval of the Exchange (which may be conditional upon amendments to the terms of the Amalgamation, the Concurrent Financing and/or related transactions);
- following completion of the Amalgamation, the Resulting Issuer may require additional financing from time to time in order to continue its operations. Financing may not be available when needed or on terms and conditions acceptable to the Resulting Issuer;
- there is no assurance that the Resulting Issuer's will be successful in marketing and selling WAV-101 and WAV-102 or other pharmaceutical products;
- new laws or regulations could adversely affect the Resulting Issuer's business and results of operations; and

- 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 Buffalo'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 Buffalo and Waverley; disruptions or changes in the credit or security markets; inability to obtain marketing rights to WAV-101 and WAV-102; results of operational activities and development of projects; cost overruns or unanticipated costs and expenses; fluctuations in pharmaceutical prices, and general market and industry conditions.

Buffalo cautions that the foregoing list of material factors is not exhaustive. When relying on Buffalo's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Buffalo 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 BUFFALO 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. WHILE BUFFALO MAY ELECT TO, IT 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.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. 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 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 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.