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Perimeter Medical Imaging AI, Inc. Announces Stock Exchange Listing (TSX.V: PINK); Closing of Oversubscribed C\$10m Private Placement Financing; Completion of Plan of Arrangement with New World

TORONTO, ON / ACCESSWIRE / June 29, 2020 Medical imaging and AI company [Perimeter Medical Imaging AI, Inc. \("Perimeter" or the "Company"\)](#) announced that the previously announced reverse take-over of New World Resource Corp. ("**New World**") by Perimeter Medical Imaging, Inc. ("**Pre-Closing Perimeter**") via plan of arrangement (the "**Plan of Arrangement**") has been completed. As a result, Perimeter will be listed as a Tier 2 issuer on the TSX-V. Immediately following closing of the Plan of Arrangement, Perimeter, the resulting issuer following the Plan of Arrangement, closed its previously announced non-brokered private placement financing (the "**Offering**") of units ("**Units**") on an oversubscribed basis for gross proceeds of C\$9,995,410.

"Perimeter's platform imaging technology allows surgeons in real time to visualize the margins of excised tissue specimens at the time of surgery. With the combination of our high resolution imaging device and proprietary AI technology that is currently under development, the intention is to reduce the necessity of repeat surgeries. Our mission is to improve cancer patient care and reduce healthcare costs," said Dr. Anthony Holler, the Chairman of Perimeter's Board of Directors.

This announcement follows the April news that Perimeter received a USD \$7.44 million grant from the Cancer Prevention and Research Institute of Texas ("**CPRIT**"), a leading state body funding cancer research. The grant is intended to allow Perimeter to achieve FDA clearance for the AI-enhanced version of the company's technology, which includes advanced AI for surgical oncology applications such as lumpectomy procedures which are plagued by high second surgery rates. Funded by CPRIT and working together with leading cancer institutions such as MD Anderson and Baylor, Perimeter is further developing its proprietary AI technology with the goal of helping surgeons to intra-operatively assess whether they have been successful in excising all of the cancerous tissue.

In other recent news, Perimeter has had significant wins in recruiting two seasoned US Med Tech Executives, Tom Boon (CEO) and Jeremy Sobotta (CFO), to its senior leadership team. Mr. Boon's senior leadership roles in the areas of manufacturing, quality and regulatory, sales and product management will be advantageous to his role at Perimeter. Jeremy Sobotta comes to Perimeter with a diverse background in all areas of finance in the medical devices industry

supporting many different geographies and go-to-market models. To date, Mr. Sobotta has

been a part of the deployment of over \$4 billion in capital over his career in acquisitions. His most recent role was as Head of Finance for the Stryker business unit responsible for surgical equipment and women's health.

Transaction Details

Under the Plan of Arrangement, former New World securityholders were issued 4,999,995 common shares of Perimeter (each a "**Common Share**") and 1,712,378 common share purchase warrants ("**NW Warrants**") having an exercise price of C\$1.20 and former Pre-Closing Perimeter securityholders were issued 26,787,392 common shares of Perimeter. This reflects the exchange ratio established under the Plan of Arrangement under which shareholders of Pre-Closing Perimeter received 0.20833 common shares of Perimeter in exchange for each Pre-Closing Perimeter common share held and shareholders of New World received 0.36499 Common Shares in exchange for each New World common share held. Former optionholders and warrant holders of Pre-Closing Perimeter had their options and warrants converted into 5,063,214 options and 3,530,168 warrants of Perimeter based on the same exchange ratio used in the Plan of Arrangement.

In the Offering, Perimeter issued 6,893,386 Units at a price of C\$1.45 per Unit. Each Unit consists of one (1) Common Share and one-half (1/2) of a common share purchase warrant ("**Warrant**") with each whole Warrant exercisable into a Common Share at an exercise price of C\$2.00 for a period of 18 months from closing, subject to adjustment in certain customary events. The Warrants will be subject to accelerated conversion if the Common Shares trade above a C\$3.00 15-day volume-weighted average price on the TSXV at any time following the date that is four months and a day following the closing. The Offering was oversubscribed by approximately C\$3.2 million.

All securities issued pursuant to the Offering will be subject to a statutory hold period of four months plus one day which expires on October 30, 2020.

In connection with the closing of the Offering, the Company paid finder's fees of C\$560,040 in cash and issued 379,468 non-transferable finder's warrants ("**Finder's Warrants**"). Each Finder's Warrant will entitle the holder thereof to purchase one Common Share at a price of \$1.45 for a period of 24 months from the date of the closing of the Offering.

As a result of the foregoing, Perimeter has an aggregate of 38,680,773 Common Shares, 9,068,707 warrants, and 5,063,214 stock options outstanding.

Perimeter has received approval from the TSX Venture Exchange ("**TSX-V**") for completion of the Plan of Arrangement and the Offering, subject only to issuance of the final exchange bulletin.

The Common Shares are expected to begin trading on the TSX-V under the symbol "PINK" two trading days after issuance of the final exchange bulletin, which is anticipated to result in the commencement of trading on July 6, 2020.

Securityholder approval for the Plan of Arrangement was obtained at the annual and special meetings of New World shareholders and Perimeter securityholders held on June 17, 2020. In addition, the requisite final court order from the Supreme Court of British Columbia was

obtained in respect of the Plan of Arrangement on June 19, 2020.

For additional details on the Plan of Arrangement, please see Perimeter's press releases of June 12, 2020, April 23, 2020, December 4, 2019 and June 4, 2019 and the joint information circular prepared in respect of the securityholder meetings of New World and Pre-Closing Perimeter relating to the Plan of Arrangement, a copy of which is available on Perimeter's SEDAR profile at www.sedar.com.

Escrowed Shares

In the aggregate, a total of 16,936,530 Common Shares, 467,548 warrants and 1,822,803 stock options are subject to a Tier 2 Value Security Escrow Agreement (or equivalent seed sale resale restrictions) under TSX-V policies, which provides for graduated release of escrowed securities over a 3-year period following the issuance of the final exchange bulletin in respect of the Plan of Arrangement. In addition, the 16,693,527 Common Shares controlled by Roadmap Capital Inc. ("**Roadmap**") are subject to an 18-month hold period under the terms of the Primary Investor Agreement previously announced in a news release of New World dated June 3, 2019, a copy of which is available on Perimeter's SEDAR profile at www.sedar.com.

Warrantholder Information

Holders of Warrants and NW Warrants should refer to the Warrant Indentures each dated June 29, 2020, which are to be filed on Perimeter's SEDAR profile at www.sedar.com as a material contract, for details of the terms and conditions governing the Warrants and NW Warrants.

Resulting Change in Corporate Structure

Upon closing of the Plan of Arrangement, New World amalgamated with Pre-Closing Perimeter under the *Business Corporations Act* (British Columbia) under the name Perimeter Medical Imaging AI, Inc.

Financial Statements

For the first financial year after the closing of the Plan of Arrangement, the periods of the interim financial reports for Perimeter will be the three and six months ended June 30, 2020, and the three and nine months ended September 30, 2020, and its first annual financial statements will

be for the year ended December 31, 2020. Audited annual financial statements for Pre-Closing Perimeter for the year ended December 31, 2019 and interim financial statements for the three months ended March 31, 2020 will be filed on Perimeter's SEDAR profile at www.sedar.com.

Change of Auditor

Upon closing, KPMG LLP, being Pre-Closing Perimeter's auditor, was appointed as Perimeter's auditor.

Insider Participation in the Offering

Hugh Cleland, director of Perimeter, and Jeremy Sobotta, Chief Financial Officer of Perimeter, participated in the Offering, thereby making the Offering a "related party transaction" as defined under Multilateral Instrument 61-101-Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). Mr. Cleland subscribed for 20,000 Units and Mr. Sobotta subscribed for 28,928 Units.

Following the closing of the Offering, Mr. Cleland beneficially owns and controls 20,000 Common Shares and 10,000 Warrants, representing less than 0.1% of the issued and outstanding Common Shares on an undiluted basis. Mr. Sobotta beneficially owns and controls 28,928 Common Shares and 14,264 Warrants, representing less than 0.1% of the issued and outstanding Common Shares on an undiluted basis. Mr. Sobotta also beneficially owns and controls 450,000 previously granted stock options, representing 1.2% of the issued and outstanding Common Shares on an undiluted basis.

Each Common Share of Perimeter provides the holder with the right to one vote per common share. The Offering was unanimously approved by the directors of Perimeter.

Other than the subscription agreements between Mr. Cleland and Mr. Sobotta relating to the issuance of the Units pursuant to the Offering, Perimeter has not entered into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. Neither Perimeter, nor to the knowledge of Perimeter after reasonable inquiry, a related party, has knowledge of any material information concerning Perimeter or its securities that has not been generally disclosed.

The Offering was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the Offering was a distribution of securities for cash and neither the fair market value of the Shares distributed to, nor the consideration received from, interested parties exceeded \$2,500,000. The material change report in connection with the Offering was not filed 21 days in advance of the closing of the Offering for the purposes of Section 5.2(2) of MI 61-101 on the basis that the subscriptions under the Offering were not available to Perimeter until shortly before the closing.

Early Warning Disclosure as a result of Completion of the Plan of Arrangement

Roadmap acquired control over 16,693,527 Common Shares as part of the Plan of Arrangement, through the issuance of 125,453 Common Shares to Roadmap and 16,568,074 Common Shares to certain investment funds managed by Roadmap (namely, Roadmap Perimeter LP II (U.S. and Offshore); Roadmap Perimeter LP II; Roadmap Innovation Fund II; Roadmap Perimeter LP (US and Offshore), Roadmap Perimeter LP and Roadmap Innovation Fund I, and collectively, the "**Roadmap Funds**"), all of which were issued in exchange for the common shares and/or convertible debentures held in Pre-Closing Perimeter prior to completion of the Plan of Arrangement. In addition, Roadmap has beneficial ownership of, and control over, 467,548 warrants to purchase Common Shares. On a non-diluted basis, Roadmap exercises control over 16,693,527 (43.1%) of the issued and outstanding Common Shares. On a partially-diluted basis, assuming exercise of the warrants held by Roadmap, Roadmap exercises control over 17,161,075 (43.8%) of the issued and outstanding Common Shares.

As noted above, the Common Shares held by Roadmap and the Roadmap Funds are subject to an 18-month hold period under the terms of the Primary Investor Agreement

previously announced in a news release of New World dated June 3, 2019, a copy of which is available on Perimeter's SEDAR profile at www.sedar.com, in addition to a Tier 2 value security escrow agreement under TSX-V policies.

Roadmap and the Roadmap Funds originally acquired the common shares, warrants and/or convertible debentures they held in Pre-Closing Perimeter for investment purposes.

The foregoing disclosure is being disseminated pursuant to National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting. A copy of the report to be filed with Canadian securities regulators in connection with the acquisition of these securities will be available on Perimeter's SEDAR profile at www.sedar.com and a copy may be obtained by contacting Perimeter as noted under "Contact" below.

About Perimeter

Perimeter is a Toronto-based company with U.S. Headquarters in Dallas, Texas that is developing, with plans to commercialize, advanced imaging tools that allow surgeons, radiologists, and pathologists to visualize microscopic tissue structures during a clinical procedure. Perimeter's OTIS™ platform is an FDA-cleared point-of-care imaging system that provides clinicians with real-time, ultra-high-resolution, sub-surface image volumes of the margin (1-2 mm below the surface) of an excised tissue specimen. The ability to visualize microscopic tissue structures during a clinical procedure in addition to standard of care tissue assessment by sight or physical inspection for decision making during the procedure has the potential to result in better long-term outcomes for patients and lower costs to the healthcare system.

In addition, Perimeter is developing advanced artificial intelligence/machine learning image assessment tools intended to increase the efficiency of review.

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This news release contains statements that may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information

may include, among others, statements regarding the future plans, costs, objectives or performance of Perimeter, or the assumptions underlying any of the foregoing. In this news release, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. No assurance can be given that any events anticipated by the forward-looking information will transpire or occur. Forward-looking information is based on information available at the time and/or management's good-faith belief with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond Perimeter's control. These risks, uncertainties and assumptions include, but are not limited to, those described the joint information circular prepared in respect of the shareholder meetings approving the Plan of Arrangement a copy of which is available on Perimeter's SEDAR profile at www.sedar.com, and could cause actual events or results to differ materially from those projected in any forward- looking statements. In particular, we note the risk that the TSX-V may not issue the final exchange bulletin in time to permit Perimeter's common shares to commence trading on the TSX-V on the timeline stated above, and that our technology may not achieve the anticipated benefits in terms of surgical outcomes. Perimeter does not intend, nor does Perimeter undertake any obligation, to update or revise any forward-looking information contained in this news release to reflect subsequent information, events or circumstances or otherwise, except if required by applicable laws.

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