

July 19, 2018



Verisante Announces Signing of Definitive Agreement for RTO with Myanmar based SIM Co. Ltd.

Vancouver, British Columbia--(Newsfile Corp. - July 9, 2018) -[Verisante Technology Inc.](#) (TSXV: VRS) (the "Company" or "Verisante"), is pleased to announce it has entered into a Definitive Agreement with Myanmar based SIM Co. Ltd. ("SIM") dated June 30, 2018, whereby VRS shall acquire all the issued and outstanding common shares of SIM, a land development Company pursuing construction and operation of an Offshore Supply Base (OSB) to service the awakening oil and gas industry in the Ayarwaddy region of Myanmar.

Acquisition Terms

Subject to Exchange approval, as well as applicable director and shareholder approvals, SIM shall sell and VRS shall acquire, on an arm's-length basis, all of the issued and outstanding Common voting shares of SIM (the "**SIM Shares**") from the current holders of the SIM Shares ("**SIM Shareholders**"). The total purchase price shall be satisfied by VRS issuing 500,000,000 of its Common shares ("**VRS Shares**") to the SIM Shareholders. The price was determined using a \$0.10 share price for VRS and a minimum enterprise value for SIM of \$50million according to the valuation report conducted by International Realty Valuation, Inc. The consideration for the Acquisition was determined through arm's-length negotiation by the parties.

According to the unaudited financial statements provided to VRS by SIM, SIM has a minimum asset value of \$50mil from its 184 acres of land and the issued government permit to develop and operate the OSB for 30 years. Currently, SIM has no liabilities or revenues.

The proposed arm's-length acquisition (the "**Acquisition**") is subject to customary conditions, including necessary corporate and shareholder approvals and applicable exchange acceptance. Upon completion of the Acquisition the issuer will be an Emerging Market Issuer, and will seek to meet the requirements as an Industrial Issuer, as defined in Exchange Policy. 2.10. The issuer will be operating an OSB that will provide support facilities such as cranes, lifting equipment, warehouses, waste management and other support services to oil and gas companies operating in the region. This will constitute a Change of Business ("**COB**") and a Reverse Takeover ("**RTO**") as defined by TSXV Policy 5.2.

SIM is controlled by U Aung Kyaw (Aaron Aung), who shall become the Company's President and CEO upon completion of the Acquisition.

The Company has not retained a Sponsor for the transaction at this time, and will be seeking a waiver of sponsorship from the TSX.

Under the Definitive Agreement, dated June 30, 2018, SIM and VRS also agree to raise \$500,000 pursuant to debt financing or for issuance of Common shares of VRS, via a private placement. A contemplated Debt financing will be in a straight loan with an annual simple interest of 12% paid quarterly. A Private placement financing shall be for common shares at a price of \$0.10 per share. The Proceeds of this financing are to be used: (1) for costs relating to the RTO; (2) for Pre-construction expenses of the OSB; and (3) for working capital and general corporate purposes.

There is no finder's fee payable in connection with the \$500,000 financing.

The Company has not advanced any funds to SIM but contemplates advancing up to \$150,000 to SIM for additional survey and design expenses in addition to audit or other expenses relating to the RTO that may arise prior to closing.

Upon completion of the Acquisition, an additional \$15 million in equity financing will be sought for the construction and development of the OSB. The Company will welcome strategic or financial investors to discuss the terms of this financing. Upon the anticipated closing of the \$15mil financing in 2018, the company's projected EBITDA for the fiscal years 2019-2021 is expected to reach \$2.6mil, \$7.2mil, and \$12.9mil respectively.

The closing date for the proposed Acquisition is expected to be on or around September 30, 2018. Trading of the common shares of the Company has been halted by the TSXV and will remain halted pending completion or termination of the proposed Acquisition, pursuant to TSXV Policy 5.2.

Upon completion of the Acquisition, the names, backgrounds, and jurisdictions of all Persons who will constitute Principals or Insiders of the Resulting Issuer as known as of this date is as follows:

U Aung Kyaw (Aaron Aung), President & CEO, Yangon, Myanmar

Mr. Aung Kyaw practiced engineering and management at several government linked Singapore/Japanese companies including Mitsubishi Heavy Industry and Sumitomo for over 10 years prior to founding SIM Co. Ltd.

Aaron is the first person from Myanmar to successfully export a million tons of sea sand to Singapore for land reclamation in 2007.

In 2012, He successfully organized and co-invested in Singapore based investments in the Myanmar real estate sector worth USD\$20million and became the CEO of a Singapore private investment group.

Aaron is know in the community as an investor friendly local entrepreneur. He has

facilitated foreign investors to conduct successful businesses in Myanmar by establishing good relationships with local authorities. Aaron is elected as the finance and foreign investment director for the Deep Sea Port in the Mon/Karen state of Myanmar.

Mr. Aung Kyaw holds a Bachelor of Engineering from University of Yangon and a Master of Engineering from National University of Singapore.

U Nay Lynn Oo, Director, Yangon, Myanmar

Mr. Nay is an entrepreneur and strategic investor from Myanmar. He has successfully invested in many local companies ranging from mining, trading, construction and logistics. He is a director of SIM Co. Ltd. Mr. Nay is also a major shareholder of Golden Tree Company Limited and EFR logistics and distribution center (Mandalay).

Mr. Nay obtained a B.Sc (Physics) in 2004 from Yadanarpon University, Mandalay, Myanmar.

Zi Cheng (Peter) Xu, CFO, Director Vancouver, BC, Canada

Mr. Xu is the Founder and the President of Mican Investment Service Co., Ltd based in Yangon, Myanmar (2015). He is among the earliest foreign financial consultant in Myanmar to offer going public advisory services together with financing solutions to Myanmar companies.

Peter's area of expertise includes cross-border M&A, RTO, and general corporate finance. He has raised over \$3mil for VRS over past few years. Peter is dedicated to the restructuring of VRS by vending in high quality asset with better and sustainable earnings.

Peter holds a Bachelor of Commerce (Energy Finance) degree from the University of Calgary.

Guangyu (John) Li, Director, Yangon, Myanmar

John Li is the chief representative of Kunming Pharmaceutical Group (Stock Symbol: 600422) for the Myanmar region. Mr. Li is the CEO of Mican Investment Service Co., Ltd, and is the Vice Secretary General of China Enterprises Chamber of Commerce in Myanmar. John founded the first Wechat Service Account in Myanmar (2014) named "Myanmar Investment" providing local political, economic, and investment related info to Chinese investors. He has extensive experience in the region having lived in Myanmar for 12 years.

Dr. Jake Thiessen, Ph.D, Director, Toronto, Ontario

Dr. Jake J. Thiessen is the Hallman Director, School of Pharmacy, and Director, Health Sciences Campus, University of Waterloo. Jake is a former professor and associate dean at the Leslie Dan Faculty of Pharmacy, University of Toronto. He earned his B.Sc. (Pharm) degree from the University of Manitoba, and went on to complete a M.Sc. at Manitoba and a Ph.D. at the University of California, San Francisco. Jake's area of specialization is pharmacokinetics. His research interests include new approaches in

cancer treatment and new molecules to treat patients with iron overload. He has broadened his experience and shared his expertise through work with the Drug Quality and Therapeutics Committee of the Ontario Ministry of Health, Health Canada's Scientific Advisory Committee on Bioavailability and Bioequivalence, and the Canadian Council for Accreditation of Pharmacy Programs.

About Myanmar

As Myanmar opens up to the outside world, after five decades of military rule, foreign investors are showing interest in the country's potential. It is the largest Southeast Asia nation by land with a young and educated total population of over 60mil. Myanmar's GDP growth in 2017 has reached 6.7% and is expected to accelerate in coming years.

Myanmar is the largest pipeline natural gas exporter in the Asia Pacific region, mainly to Thailand and China. While only one-third of country is connected to electrical grid, domestic natural gas demand for power generation is expected to double by 2021.

Myanmar is one of the world's oldest oil & gas producers with exports being made as early as 1853. However, in 1962, the country came under a military rule that nationalized the oil and gas industries and kept foreign investors out until 1988. EU and US sanctions subsequently prevented many non-Asian investors from claiming a stake until the sanctions were eased in 2012 in response to the political and economic reforms in Myanmar.

The country is located geographically between two of the most populous countries in the world, China and India, and is rich in natural resources including gas, metal ores, timber and gems.

Currently, energy and mining are the biggest contributors to the Myanmar economy after agriculture.

About the Oil & Gas Industry in Myanmar

Myanmar's proven natural gas reserves are about 1,820 billion cubic feet (BCF) and its crude oil reserves are estimated to top 139 million barrels. Currently, there are 53 onshore oil and gas blocks in Myanmar. The country has designated a total of 51 offshore blocks, 38 of which foreign companies (including PTTEP, Chevron, Shell, BP, Total, ConocoPhillips, Petronas, Daewoo) and others hold stakes. In total, there are 32 companies from 20 countries active in the Myanmar oil and gas sector.

Opportunities to invest in Myanmar oil and gas are emerging on the back of a string of changes and restructuring efforts now taking place in the sector.

Learning from Malaysia and Norway, The Ministry of Electricity and Energy (MOEE) is currently revising the existing terms and conditions of Myanmar's existing oil and gas Production Sharing Contracts (PSCs) to create mutual benefits for government and investors and draw new investments into the sector.

The PSCs are being reviewed ahead of potential tenders for up to 31 Myanmar oil and gas

blocks, which will be open to both local and foreign investors in the near future.

More than 70% of Myanmar's offshore blocks remain unexplored. With the recent recovery in oil prices and new supply bases to facilitate offshore gas exploration, investment into this sector is expected to increase steadily.

About Offshore Supply Bases in Myanmar

An important development in 2017 has been the Myanmar Investment Commission's (MIC's) approval of offshore supply bases. A big hurdle for international oil and gas companies operating in the country comes from the lack of an offshore supply base. There is only one supply base in Yangon, and the nearest platforms are in Singapore and Thailand. Oil and gas companies in Myanmar use supply bases in those two countries, which are at least 4-5 days away by boat. The day rate of a drill ship is over \$350,000 per day and vessels require 10 days for a round-trip to and from Singapore.

The cost is enormous for oil and gas companies to operate off the coast of Myanmar - which means that Myanmar is deprived of an important economic activity while other countries benefit from operations in its waters.

A domestic offshore supply base would make supplies for drilling activities cheaper, available within a shorter time, and quicker, in terms of assuring an easier customs clearance - thereby successfully addressing the needs of its own offshore operators. MIC provided a series of permits for up to six OSB projects. SIM's Ayarwaddy Offshore Supply Base (AOSB) was the first project to receive a permit from MIC.

About Ayarwaddy and SIM Co. Ltd.

Ayarwaddy is located in South West of Myanmar, at the center of an emerging oil and gas industry where drilling and production activities are growing in the Bay of Bengal, Andaman Sea and Gulf of Martaban. Myanmar currently has no infrastructure to support offshore oil and gas wells, with companies presently using facilities in Thailand or Singapore.

SIM Co. Ltd. is an infrastructure development company based in Yangon, Myanmar. SIM owns 184 acres of land in the Ayarwaddy region, 30 acres of which have been allotted to an Offshore Supply Base project to develop the land to service the emerging oil and gas industry in Myanmar. SIM has already obtained necessary MIC's permits and approvals to operate the AOSB for 30 years.

The primary revenue model of SIM is to lease the AOSB out to offshore oil & gas companies within a service range of 200 miles. The AOSB offers storage and logistic support covering six oil & gas exploration blocks issued by the Government of Myanmar with Thailand's PTTEP leading the production. The business of SIM is expected to grow and generate positive earnings as early as 2019.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. 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 Verisante Technology, Inc. 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 news release

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Forward Looking Statements

This release contains forward-looking statements, including, but not limited to, statements regarding the future commercialization of medical devices, the market demand for these products and the proprietary protections the Company will obtain with regard to the technology, all of which statements are subject to market risks, and the possibility that the Company will not be able to obtain patent protection or obtain sufficient customer demand. These statements are made based upon current expectations and actual results may differ from those projected due to a number of risks and uncertainties.