

June 4, 2019



New World Resource and Perimeter Medical Imaging Enter into Arrangement Agreement and Dr. Anthony Holler joins Perimeter's Board of Directors

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VANCOUVER, June 4, 2019 /CNW/ - New World Resource Corp. (TSX.V:"NW") ("New World") is pleased to announce that it has entered into a definitive arrangement agreement with Perimeter Medical Imaging Inc. ("Perimeter") pursuant to which New World and Perimeter will amalgamate by way of a plan of arrangement and the current security holders of each corporation will become security holders of the resulting public company (the "Resulting Issuer"). The proposed transaction (the "Transaction") is an arm's length transaction and will result in a reverse take-over and change of control of New World by the shareholders of Perimeter. The Resulting Issuer will be named Perimeter Medical Imaging AI, Inc. and its management team will be led by Will Rosellini, CEO and Richard Chernicoff, CFO.

Perimeter is a private Toronto-headquartered company founded in 2013 backed by Roadmap Capital. Perimeter has U.S. Food and Drug Administration (FDA) 510(k) clearance to market its OTIS™ tissue imaging system for high resolution margin visualization of excised tissue in real-time, during surgeries. Perimeter is developing an AI-based, interactive, decision-support software to assist surgeons in identifying regions of interest for further assessment, in images generated in real time.

Since signing the 12 March 2019 letter of intent with New World, Perimeter has:

- Received FDA 510(k) clearance for its OTIS™ 2.0 system
- Completed a \$1.8 million investment round
- Appointed Anthony Holler, M.D., to its board of directors.

Dr. Holler, who is also an investor in Perimeter, commented: "Significant opportunities exist to improve the surgical removal of cancerous tumors by providing real-time imaging feedback during the procedure. For example, in North America a significant number of women who have a procedure to remove a cancerous lump in their breast will require a second surgery.

Perimeter's technology has the potential to identify regions of interest for the surgeon to evaluate for additional removal and could lower the number of cases that require a follow-on surgery. I am hopeful that Perimeter's technology will eventually be used in any cancer surgery where margin assessment and tissue preservation are important."

The Transaction

Pursuant to the plan of arrangement, at the effective time of the Transaction, (i) New World will distribute to its shareholders, on a pro-rata basis, for every two New World shares owned of record, one warrant to purchase one share of the Resulting Issuer at an exercise price of \$0.90 per share (the "Warrants"); (ii) immediately following the distribution of the Warrants, New World and Perimeter will be amalgamated and the issued and outstanding shares of each of New World and Perimeter will be exchanged for common shares in the Resulting Issuer according to an exchange ratio described in more detail below; and (iii) outstanding options and warrants of Perimeter will become options and warrants to purchase common shares of the Resulting Issuer. Additionally, the arrangement will effect a 1 for 3 reverse stock split of the New World shares.

The exchange ratio for the existing New World and Perimeter shareholders is determined by a formula based on the relative deemed values assigned to New World and Perimeter. New World's deemed value will be between \$4.9 and \$6.0 million depending on the amount of net cash of New World at closing (the maximum valuation will occur if New World has at least \$880,000 in net cash at closing). Perimeter's deemed value will be based on \$0.25 per Perimeter common share outstanding immediately prior to closing, resulting in a deemed value currently anticipated to be approximately \$34 million prior to giving effect to any concurrent financing.

There are currently 13,299,045 outstanding New World common shares (there will be 13,699,045 New World common shares if the shares-for-debt transaction described below is completed). There are currently approximately 133 million pre-reverse split Perimeter fully diluted shares. On a pro forma basis, had the Transaction been consummated as of the date of this press release, the shareholders of New World would receive approximately 6.5 million common shares of the Resulting Issuer, or approximately 16% of the Resulting Issuer's pro forma fully diluted shares (assuming full exercise of the Warrants), and the shareholders of Perimeter would receive approximately 35.1 million common shares of the Resulting Issuer, or approximately 84% of the Resulting Issuer's pro forma fully diluted shares (assuming full exercise of the Warrants and without giving effect to any financing).

The Warrants to be distributed to New World Shareholders will have a two-year term and if all of the Warrants were exercised, the Resulting Issuer would receive approximately \$1.9 million of gross proceeds.

About Perimeter

Perimeter is developing, with plans to commercialize, advanced imaging tools that allow surgeons, radiologists and pathologists to better assess microscopic tissue structures during a clinical procedure. Perimeter's OTIS™ platform is an FDA-cleared point-of-care imaging system that provides clinicians the ability to visualize tissue microstructure in real time, during clinical procedures that currently rely on clinician sight or physical inspection for decision making during the procedure, or pathology confirmation hours or days later. The

platform is comprised of:

- a wide-field optical coherence tomography (OCT) imaging console that provides a rapid subsurface map of up to a 10 x 10 cm surface area;
- a single use consumable that is comprised of an optical imaging window and a tissue immobilization system that enables the orientation and imaging of a range of size, shape and/or density of specimen; and
- a proprietary tissue imaging atlas for clinician training and reference.

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

Management Team and Board of Directors

Upon completion of the Transaction, it is anticipated that all of the directors and officers of New World will be replaced by nominees of Perimeter. Details regarding the anticipated directors and officers of the Resulting Issuer are set forth below. Additional or substitute directors or officers may be added to the board of directors or management of the Resulting Issuer in the normal course and once identified, information with respect to the proposed additional directors or officers will be included in a subsequent news release or the joint information circular for the Transaction.

Will Rosellini - Chief Executive Officer and Director

Will Rosellini is the CEO of Perimeter. He previously founded Nexeon Medsystems, Inc., a medical device manufacturing company that went public in 2017. Before that, he founded and led Lexington Technology Group, LLC, a database company commercializing an electronic health record database solution to an exit ("DSS" NYSE). He also founded Sarif Biomedical LLC, a stereotactic cancer microsurgery company with IP spun-out of Medtronic and led the company to an exit with Marathon Patent Group, Inc. ("MARA" NSDQ). He subsequently served on the Marathon board of directors and chaired the Audit committee. Mr. Rosellini completed two acquisitions to form Telemend Medical, Inc. a clinical engineering services company and led that company to an exit in 2016. Mr. Rosellini also founded Microtransponder, an implantable neurostimulation developer with solutions for stroke rehabilitation in 2006. He is a former pitcher with the Arizona Diamondbacks and holds a JD, MBA, MS of Accounting, MS of Computational Biology, MS of Neuroscience and MS of Regulatory Science. He was previously named GSEA Entrepreneur of the Year, Dallas Top 40 under 40 and received the MTBC Tech Titan award in 2010.

Richard Chernicoff - Chief Financial Officer

Mr. Chernicoff brings to Perimeter more than twenty years of business, capital markets and deal experience. Mr. Chernicoff began his career as an accountant in the Los Angeles office of Ernst & Young. Mr. Chernicoff served on the staff of the U.S. Securities and Exchange Commission in Washington DC. Following his government service, Mr. Chernicoff practiced law at Skadden, Arps and at Brobeck, Phleger & Harrison, where he focused on life sciences and high technology companies. Mr. Chernicoff ran corporate development at SanDisk for six years. Mr. Chernicoff has served on the board of directors of a number of public and venture-backed companies. Most recently, Mr. Chernicoff acted as interim-CEO of Great Elm Capital Group as it transitioned from an intellectual property firm to a diversified holding

company.

Doug Janzen – Chairman and Director

Mr. Janzen has been involved in the Life Sciences industry for the past 19 years. He currently is the Founder and President of NorthView Ventures, an entity which invests in and provides strategic advisory services to a number of technology companies. Prior to that, he was President and CEO of Cardiome Pharma, a NASDAQ listed drug development company that raised over \$300 million from investors and completed over \$1 billion in licensing deals during his tenure. In 2010, Cardiome's lead product, Brinavess, was approved and launched in Europe by Merck. Prior to that, Mr. Janzen was an investment banker with Cormark Securities, acting as Managing Director of Life Sciences. Mr. Janzen is a past winner of Vancouver's Top 40 under 40 award, is the past Chairman of Life Sciences British Columbia, has served as a director of Biotech Canada and sits as a director on a number of public and private boards.

Anthony Holler, M.D. – Director

Dr. Holler has been Chairman of the Board of Directors of CRH Medical Corporation ("CRH") since December 2005. He also serves as the CEO and Chairman of the Board of Directors for Sunniva Inc. Prior to joining CRH, Dr. Holler was one of the founders of ID Biomedical Corporation ("ID Biomedical"). Dr. Holler held a number of executive positions with ID Biomedical, including Chief Executive Officer until the company was acquired by GlaxoSmithKline plc in December 2005 for \$1.7 billion. Dr. Holler was also Chairman of Corriente Resources Inc., which sold for approximately \$700 million to CRCC-Tongguan Investment Co. in 2010. Before his involvement in public markets, Dr. Holler served as an Emergency Physician at University Hospital at the University of British Columbia. He holds a Bachelor of Science Degree and an M.D. from the University of British Columbia.

Suzanne Foster – Director

Mrs. Foster is a proven business leader, a breast cancer survivor, and a passionate patient advocate. Currently, Mrs. Foster is President of Stanley Healthcare, a division of Stanley Black and Decker. Prior to Stanley, she served as Vice President & General Manager of Medtronic Transformative Solutions. There, Mrs. Foster led the development and acquisition of several technologies that are improving the way critical procedures are performed and thereby advancing patient care. During her tenure at Medtronic, the business achieved double-digit revenue growth for the past seven years and experienced significant global market adoption. Mrs. Foster is a frequent speaker on topics related to finding ways to advance technology and procedural innovation in breast cancer care. In March 2018, The National Consortium of Breast Centers (NCBC) awarded her with their Inspiration Award, which recognizes an individual who has gone above and beyond in the pursuit of innovation in breast cancer care. Mrs. Foster has also been recognized for her work in employee engagement and diversity. Mrs. Foster has a BA in Communication from University of New Hampshire, M.Ed in Psychology from Notre Dame College, JD Law from Suffolk Law School and a Masters in Public Health (Law and Health Policy) from Harvard University.

Franklyn Prendergast, MD, PhD. – Director

Dr. Prendergast was a member of the Eli Lilly Board of Directors from 1995 to 2017 and held

senior positions within Mayo Clinic: Chair, Department of Biochemistry & Molecular Biology; Director for Research, Mayo Clinic Rochester; Member of the Board of Governors for Mayo Clinic in Rochester; Mayo Clinic Board of Trustees; Mayo Clinic's Board of Governors'; Mayo Distinguished Investigator, Emeritus Director of the Mayo Clinic Comprehensive Cancer Center and Emeritus Director of Mayo Center for Individualized Medicine. Dr. Prendergast also served extensively for the National Institutes of Health, Board of Advisors for Division of Research Grants; National Advisory General Medical Sciences Council; Board of Scientific Advisors of National Cancer Institute; National Cancer Advisory Board. Dr. Prendergast received the following honors and awards: Rhodes Scholarship; DSc Purdue University and University West Indies, Outstanding Graduate from University West Indies; Outstanding Graduate College of Biological Sciences from University of Minnesota; Musgrave Gold Medal Institute of Jamaica. Dr. Prendergast holds a medical degree with honors from University of West Indies and Oxford University Rhodes Scholar M.A. degree in physiology. After his internal medicine residency at Mayo Clinic, he obtained the Ph.D. degree in biochemistry at University of Minnesota/Mayo Graduate School.

Hugh Cleland – Director

Mr. Cleland is co-founder and principal at Roadmap Capital, and Portfolio Manager of the Roadmap Innovation Funds. Mr. Cleland has a Bachelor of Arts (Honours, 1992/97) from Harvard University and earned his CFA designation in 2001. He was founding portfolio manager at Northern Rivers Capital Management ("Northern Rivers"), where he managed the Northern Rivers Innovation Fund from May of 2001 until Northern Rivers was acquired by BluMont Capital in February of 2010. Mr. Cleland co-founded Roadmap Capital Inc. in the summer of 2013. Roadmap and its investors have now invested more than \$140 million in VC-stage tech companies. Sectors include semiconductors, material sciences, and medical devices. Mr. Cleland is now a member of the Board of Directors of Ubilite Inc, MMB Networks and Perimeter, and is an observer on the Board of Peraso Technologies. Prior to Northern Rivers, Mr. Cleland also held various roles at Midland Walwyn Capital and Interward Capital Corporation.

Imed Zine, PhD, PEng, – Director

Dr. Zine is the Technology Principal at Roadmap Capital. After completing an undergraduate degree in Electrical Engineering and a Masters in RF Engineering, Dr. Zine earned a Ph.D. in Electrical and Computer Engineering from the University of Calgary in 2006 with a focus on nanotechnology and MEMS engineering. Dr. Zine joined CMC Microsystems in 2007 as a Senior Engineer in Micro and Nanotechnology Fabrication. Dr. Zine was involved with projects related to GaN MMIC (Microwave Monolithic Integrated Circuits) process, MEMS and nanotechnology related products. In 2010, Dr. Zine moved to the Business Development Department to work as a Technology Advisor, Microsystems and Nanotechnology, where he worked on projects in photonics, printed electronics and packaging.

Principal Investor – Roadmap Capital

As of the date of this news release, it is anticipated that Roadmap Capital Inc. and its managed investment vehicles (collectively "Roadmap") will hold approximately 50% of the common shares of the Resulting Issuer outstanding immediately following completion of the Transaction and the concurrent financing. Roadmap is an arm's length party to New World.

As of and from the closing of the Transaction, Roadmap and the Resulting Issuer will be parties to a Primary Investor Agreement which will include the following key terms and conditions:

- **Resale Restrictions.** Roadmap will agree to an 18 month restricted period (the Restricted Period) during which Roadmap may not transfer any securities held in the Resulting Issuer, subject to customary exceptions for transfers to affiliates, transfers approved by the board of directors of the Resulting Issuer, or tendering to a take-over bid or other M&A transaction.
- **Pre-emptive Rights.** During the Restricted Period, Roadmap will be granted pre-emptive rights to participate in any offerings of securities by the Resulting Issuer to maintain its pro-rata ownership.
- **Registration Rights.** Following the end of the Restricted Period, Roadmap will be entitled to demand registration rights in both Canada and the United States pursuant to which, subject to customary terms and conditions, the Resulting Issuer must prepare and file, on demand, a registration statement under the U.S. Securities Act and/or a prospectus under applicable Canadian securities laws to qualify the distribution of securities of the Resulting Issuer held by Roadmap.

The Primary Investor Agreement will terminate if at any time Roadmap owns fewer than 20% of the issued and outstanding common shares of the Resulting Issuer.

Concurrent Financing; Sponsorship

New World and Perimeter are currently in discussions regarding a potential concurrent financing. Further details regarding the concurrent financing will be provided in a subsequent news release. Perimeter has not yet retained a sponsor within the meaning of TSX Venture Exchange (the TSXV) policies, however it is in discussions with potential firms who would be able to provide sponsorship if required.

Conditions of Closing

The Transaction is subject to customary closing conditions for transactions of this nature as well as all requisite regulatory approvals including approval of both New World and Perimeter's securityholders, the acceptance of the TSXV and a final order of the Supreme Court of British Columbia as to the fairness of the Transaction. Perimeter is incorporated under the *Ontario Business Corporations Act* and it is also a condition of closing that it be continued under the *Business Corporations Act* (British Columbia).

Closing of the Transaction is also subject to New World shareholders holding no more than 5% of the issued and outstanding New World shares exercising dissent rights with respect to the Transaction, Perimeter shareholders holding no more than 5% of the issued and outstanding Perimeter shares exercising dissent rights with respect to the Transaction. Either New World or Perimeter may terminate the Arrangement Agreement if the Transaction has not been completed on or before November 30, 2019.

If the Transaction is approved by New World's shareholders and Perimeter's securityholders, New World and Perimeter will apply to the court for a final order approving the Transaction

and a declaration that the Transaction is fair and reasonable to the holders of New World securities and Perimeter securities. If granted, it is anticipated that, subject to acceptance of the TSXV, closing of the Transaction will take place late in the third quarter of 2019 or in the fourth quarter of 2019.

Selected Consolidated Financial Information of Perimeter

Perimeter has not begun commercial sales and is forecasting its initial commercial revenues to be received during the year 2020. Summary financial information with respect to Perimeter will be disclosed in a subsequent news release or in the joint information circular with respect to the arrangement.

Additional Information

New World and Perimeter will prepare a joint information circular describing in greater detail the terms of the Transaction, the assets and properties of New World and Perimeter, the proposed directors and officers of the Resulting Issuer and the business to be carried on after closing. A copy of the circular will be filed with and available for review under New World's profile on SEDAR.

All information contained in this news release with respect to New World and Perimeter was supplied by the respective parties for inclusion herein and each party and its directors and officers have relied on the other party for all information concerning the other party contained herein. All dollar amounts are in Canadian dollars.

Completion of the Transaction is subject to a number of conditions, including, but not limited to, TSXV acceptance and shareholder approval. The Transaction cannot close until the required shareholder and regulatory acceptance 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 circular 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 New World should be considered highly speculative.

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

Shares for Debt Transaction

New World is also pleased to announce a proposed shares-for-debt transaction (the "Debt Settlement") in which New World would issue 400,000 New World shares at a price of \$0.25 per share to a director of New World in settlement of \$100,000 of debt related to office space rent. The Debt Settlement is subject to approval of the TSX Venture Exchange.

The Debt Settlement will be considered a related party transaction subject to TSX-V Policy 5.9 and Multilateral Instrument 61-101. New World will be exempt from the need to obtain minority shareholder approval and a formal valuation as required by MI 61-101 as New World is listed on the TSX Venture Exchange and the fair market value of the shares for debt transaction does not exceed 25% of New World's market capitalization.

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.

Cautionary Notice Concerning Forward-Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to: the terms and conditions of the transaction, the anticipated ownership of the Resulting Issuer, the size of the market for Perimeter's products, the preparation of a joint information circular, the anticipated closing of the transaction, the anticipated completion of the Debt Settlement, future developments, future financings and the business and operations of the Resulting Issuer. Forward-looking statements are necessarily based upon a number of estimates and assumptions (including: the effect of general economic conditions, receipt of regulatory approvals, The parties' ability to complete the transaction, and the parties' ability to manage the risks, uncertainties and other factors listed below) that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, but are not limited to: general business, economic, regulatory, competitive, political and social uncertainties; uncertain capital markets; uncertainties in launching a new product and making sales of OTIS™; beginning commercial manufacturing of OTIS™; and delay or failure to receive shareholder, court or regulatory approvals for the transaction. There can be no assurance that the transaction will proceed on the terms contemplated above or at all and that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. New World and Perimeter disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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For further information: with respect to the Company or the contents of this release, please contact John Lando at (604) 669 2701 or by email at jel@sterlingpac.com.