



### HydRx Farms Ltd. Investment Opportunity

On March 22, 2021, HydRx Farms Ltd., Scientus Pharma Inc. and Cannscience Innovation Inc. (collectively “HydRx”) entered creditor protection under the Companies’ Creditors Arrangement Act (“CCAA Proceeding”) and Schwartz Levitsky Feldman Inc. was appointed as Monitor.

HydRx, is a vertically-integrated biopharmaceutical company with a focus on developing and commercializing pharmaceutical-grade cannabinoid derivative products.

On April 30, 2021, the Honourable Mr. Justice Haaney of the Ontario Superior Court of Justice (Commercial List), approved a sales and investment solicitation process (“SISP”) as part of the CCAA Proceeding. The SISP shall govern the process for soliciting and selecting bids for;

- a. the acquisition of all or substantially all of the property, assets and undertakings of the Companies (the “Property”) or all or substantially all of the equity of HydRx (either, a “Sale Transaction”), or;
- b. the restructuring or refinancing of the Companies, including pursuant to the CCAA plan of compromise or arrangement (an “Investment Transaction”).

The Property includes the following;

- Land and Building  
HydRx owns a 46,000 square foot building at 1130 Champlain Court, Whitby, Ontario which was specifically built for the company and includes several large state of the art grow rooms, storage vaults and technology.
- Specialized Equipment  
HydRx owns state of the art cannabis extraction, processing and grow Equipment with a cost in excess of 6.5 million dollars.
- Other Rights  
HydRx was approved by Health Canada as a controlled Drug and Substances Licensed Dealer in October, 2016 and subsequently received a Licensed Product Cultivation License in September, 2017 which was subsequently amended to include amongst other things;
  - a) cultivation;
  - b) the sale of dried flowers;
  - c) the processing of capsules and oils;
  - d) the sale of capsules and oils, and
  - e) the processing and sale of edibles and extracts.

Milestone	Deadline
<b>“Solicitation of Interest Deadline”</b>	Preliminary solicitation efforts will commence immediately after issuance of the SISP Approval Order. The Monitor will send a Teaser Letter and NDA to each Known Potential Bidder by no later than 14 days from the date of the SISP Approval Order. (collectively, the <b>“Solicitation Period”</b> )
<b>“Phase 1 Bid Deadline”</b>	21 days from the Cobra Claims Decision (as defined in the proposed SISP Approval Order), or such later date as the Monitor, in its decision, may specify, in writing, by notice given to each Known Potential Bidder.
<b>“Phase 2 Bid Deadline”</b>	To be specified in the Phase 2 Bid Process letter.

Details of the matter and relevant court Orders including the SISP Order are available at the Monitor's website:  
<http://www.slfinc.ca/corporate/engagements>.

Interested parties should contact the Monitor in the CCAA Proceedings as follows:

**Schwartz Levitsky Feldman Inc.**

**1500-2300 Yonge Street, Box 2434, Toronto, ON M4P 1E4**

**Attention: Mr. Alan Page**

**Phone: 416-780-2206**

**Email: [alan.page@slf.ca](mailto:alan.page@slf.ca)**

