

Westleaf Inc. (formerly IGC Resources Inc.) Announces Closing of Reverse Takeover

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Calgary, December 28, 2018 - Westleaf Inc., formerly [IGC Resources Inc.](#) (TSXV: IGC.H) (the "Corporation") is pleased to announce that on December 28, 2018 (the "Closing Date"), the Corporation closed its previously announced business combination involving Westleaf Cannabis Inc. ("Westleaf"), constituting a "reverse takeover transaction" of the Corporation (the "Transaction") pursuant to Policy 5.2 - Changes of Business and Reverse Takeovers of the TSX Venture Exchange (the "Exchange"). The Corporation as it now exists as a result of the completion of the Transaction (the "Resulting Issuer") will continue to carry on the business of Westleaf. Subject to receiving final Exchange acceptance, the common shares of the Resulting Issuer ("Resulting Issuer Shares") are expected to resume trading on the Exchange in early January 2019 under the name "Westleaf Inc.", on a post-Consolidation (as defined below) basis and under the trading symbol "WL".

Amalgamation

Pursuant to the terms of an amalgamation agreement dated October 4, 2018, as amended between the Corporation, Westleaf and 2147378 Alberta Ltd. ("Subco"), a wholly-owned subsidiary of the Corporation, Westleaf and Subco amalgamated on the Closing Date (the "Amalgamation") under the Business Corporations Act (Alberta) ("ABCA") to form a new company under the corporate name "Westleaf Enterprises Inc." ("Amalco").

Prior to the Closing Date, on December 27, 2018, the Corporation amended its articles to change its name to "Westleaf Inc." and to complete a share consolidation (the "Consolidation") of all of its issued and outstanding common shares ("Common Shares") on the basis of one post-Consolidation Resulting Issuer Share for every 2.9233 pre-Consolidation Common Shares. In addition, on December 27, 2018 the Corporation continued from a corporation under the Business Corporations Act (British Columbia) to a corporation under the ABCA.

On the Closing Date, pursuant to the Amalgamation (with each Resulting Issuer Share being issued on a post-Consolidation basis):

1. each common share of Westleaf (the "Westleaf Shares") was cancelled and replaced by one fully paid and non-assessable Resulting Issuer Share (such ratio of 1:1 being the "Exchange Ratio");
2. all of the outstanding: (i) Westleaf Share purchase options; (ii) restricted share units of Westleaf; (iii) Westleaf Share purchase warrants of Westleaf; and (iv) performance warrants of Westleaf, in each case that were not exercised prior to the Closing Date, became exercisable for Resulting Issuer Shares in accordance their terms at the Exchange Ratio;
3. the common shares of Subco ("Subco Shares") were cancelled and replaced by common shares of Amalco ("Amalco Shares") on the basis of one Amalco Share for each Subco Share; and
4. as consideration for the issuance of the Resulting Issuer Shares to effect the Amalgamation, Amalco issued to the Corporation one Amalco Share for each Common Share issued to the previous holders of Westleaf Shares.

Upon completion of the Transaction, an aggregate of approximately 110,386,055 Resulting Issuer Shares are issued and outstanding. The holders of Common Shares prior to completion of the Amalgamation hold 3,645,346 Resulting Issuer Shares (excluding Common Shares issued upon the exchange of the Subscription Receipts (as defined below)), representing approximately 3.3% of the outstanding Resulting Issuer Shares; (ii) the former shareholders of Westleaf hold 82,630,353 Resulting Issuer Shares, representing approximately 74.9% of the outstanding Resulting Issuer Shares; (iii) the former holders of

Subscription Receipts hold 23,656,945 Resulting Issuer Shares, representing approximately 21.4% of the outstanding Resulting Issuer Shares; and (iv) the subscribers to the Non-Brokered Private Placement (as defined below) hold 453,411 Resulting Issuer Shares, representing approximately 0.4% of the outstanding Resulting Issuer Shares. All Resulting Issuer Shares issued to the former shareholders of Westleaf for their Westleaf Shares and all Resulting Issuer Shares and Warrants (as defined below) issued to the former holders of Subscription Receipts upon the exchange of the Subscription Receipts are subject to a four-month contractual hold period from the closing of the Amalgamation.

An aggregate of 42,230,000 Resulting Issuer Shares issued to the "Principals" of the Resulting Issuer (as defined in Exchange policies) were placed in escrow pursuant to a Tier 2 value security escrow agreement in accordance with the policies of the Exchange and will be released in accordance with the terms thereof. In addition, 6,115,000 Resulting Issuer Shares issued to Westleaf seed share investors who are not Principals of the Resulting Issuer are subject to resale restrictions in accordance with TSXV Policy 5.4 - Escrow, Vendor Consideration and Resale Restrictions.

Concurrent Financing

Prior to the closing of the Amalgamation, on December 4, 2018, the Corporation completed a brokered financing of 23,656,945 subscription receipts ("Subscription Receipts") at a price of \$0.85 per Subscription Receipt, for aggregate gross proceeds of \$20,108,403 (the "Brokered Private Placement"). Canaccord Genuity Corp., as co-lead agent and sole bookrunner, Eight Capital as co-lead agent and GMP Securities L.P. were the syndicate for the Brokered Private Placement. On the Closing Date, each Subscription Receipt was automatically exchanged into one unit of the Corporation (a "Unit"), upon satisfaction of certain escrow release conditions (the "Escrow Release Conditions"). The net proceeds of the Brokered Private Placement were released to the Corporation on the Closing Date in connection with the satisfaction of the Escrow Release Conditions. For further details on the terms of the Brokered Private Placement, please see the joint press release of the Corporation and Westleaf dated December 4, 2018, as filed under the Corporation's SEDAR profile.

In addition to the Brokered Private Placement, concurrently with closing of the Amalgamation, the Corporation completed a non-brokered financing of 453,411 Units at a price of \$0.85 per Unit, for aggregate proceeds of \$385,000 (the "Non-Brokered Private Placement", and collectively with the Brokered Private Placement the "Offering").

Each Unit issued pursuant to the Offering consists of one Resulting Issuer Share and one-half of one Resulting Issuer Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Resulting Issuer Share at an exercise of \$1.30 per share for a period of 24 months from the applicable date of closing of the Offering, subject to adjustment in certain events and an acceleration clause.

The net proceeds from the Offering are intended to be used by the Resulting Issuer for expansion of its operations and for general corporate purposes.

Resulting Issuer

Following the closing of the Amalgamation, Jacqueline Tucker resigned from her positions of Chief Executive Officer, Chief Financial Officer and a director of the Corporation. The board of directors of the Corporation is now comprised of Stephen Mason as Executive Chairman, Scott Hurd, Robb McNaughton, Kareen Stangherlin, and Delbert Wapass. In addition, on the Closing Date, Scott Hurd was appointed President and Chief Executive Officer, Taylor Ethans was appointed as Chief Financial Officer and Pat Whelan was appointed as Executive Vice President. Westleaf International Inc., a wholly-owned subsidiary of the Corporation, appointed Shon Williams as Chief Development Officer, Ben Kaanta as Chief Operating Officer and Christian Monson as Chief Legal Officer & VP of Strategy.

Acquisition of Canndara

As disclosed in the joint press release of the Corporation and Westleaf dated December 20, 2018, the Corporation and Westleaf entered into a definitive agreement to acquire a 21.4% interest in Canndara Canada Inc. ("Canndara"), a premium cannabis retail company with over fifty (50) prospective retail locations

across Canada, through the purchase by Westleaf of \$7.5 million of the existing Canndara shares for cash (the "Investment"). In addition to the Investment, the Corporation has been granted an option by the Canndara shareholders to purchase the remaining shares of Canndara at a pre-determined value of \$48.4 million in an all-share transaction (the "Option"). The Investment and Option are separate from the Transaction and remain subject to applicable approvals, including approval of the Exchange.

About Westleaf Cannabis Inc.

Westleaf is a vertically integrated cannabis company with assets across the cannabis value chain, with an emphasis on engaging cannabis retail and product brands. Focused on innovative retail experiences, Westleaf is rolling out a national retail footprint for its retail concept "Prairie Records", with stores planned for British Columbia, Alberta, Saskatchewan and potentially Ontario. The retail concept leverages the instinctual tie between recreational cannabis and music and redefines the cannabis purchasing experience. For more information, please visit www.westleaf.com or www.prairierecords.ca.

Additional Information

For further information, please contact:

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Cautionary Statements

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: final Exchange approval of the Amalgamation, the use of proceeds from the Offering, trading of the Resulting Issuer Shares and the timing thereof, the business and operations of Westleaf and the Resulting Issuer, the Investment and the Option. Forward-looking statements are necessarily based upon a number of estimates and assumptions 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 include, but are not limited to: general business, economic, competitive, political and social uncertainties; and the delay or failure to receive board, shareholder, court or regulatory approvals. There can be no assurance 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 the forward-looking statements and information contained in this news release. Except as required by law, the Corporation and Westleaf assume no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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