

## Early Warning News Release

*This press release is issued pursuant to the requirements of National Instrument 62-103 - The Early Warning System and Related Take-Over Bid and Insider Reporting Issues.*

**VANCOUVER, November 1, 2021-** Shimcity Inc. ("**Shimcity**") and 2657456 Ontario Inc. ("**265**") (collectively, the "**Acquirors**") announce that they acquired, directly and indirectly, 13,235,294 common shares ("**Common Shares**") and 8,823,529 Common Shares, respectively, of 1319732 B.C. Ltd. (the "**Company**") pursuant to a court-approved plan of arrangement (the "**Arrangement**") carried out under the provisions of the *Business Corporations Act* (British Columbia) by Rio Verde Industries Inc. ("**Rio Verde**"). The Arrangement has resulted in the shareholders of Rio Verde holding shares in seven new companies: 1319472 B.C. Ltd., 1319651 B.C. Ltd., 1319735 B.C. Ltd., 1319738 B.C. Ltd., 1319741 B.C. Ltd., and 1319743 B.C. Ltd. and the Company (the "**New Companies**"). Each of the New Companies is now an unlisted reporting issuer in the provinces of British Columbia and Alberta.

Pursuant to the Arrangement, each of the issued and outstanding common shares of Rio Verde was exchanged for one new Rio Verde common share and seven new classes of reorganization shares. The reorganization shares were then transferred by the shareholders of Rio Verde, including the Acquirors, to each of the New Companies in exchange for common shares of the New Companies on a 1:1 basis. In addition, each of the New Companies received \$5,000 in working capital from Rio Verde.

Following the Arrangement, Shimcity owns and controls 13,235,294 Common Shares of the Company, which represents 40.47% of the Common Shares outstanding following completion of the Arrangement and 265 owns 8,823,529 Common Shares of the Company, which represents 26.98% of the Common Shares outstanding following completion of the Arrangement. Prior to the Arrangement, the Acquirors owned no shares of the Company.

The Acquirors are shareholders of Rio Verde and the securities of the Company were acquired as part of the Arrangement. The Common Shares were acquired by each Acquiror for investment purposes in connection with the Arrangement. In the future, each Acquiror may evaluate its investment in the Company from time to time and may, depending on various factors including, without limitation, the Company's financial position, the price levels of the Common Shares, conditions in the securities markets and general economic and industry conditions, the Company's business or financial condition, and other factors and conditions that each Acquiror may deem appropriate, increase, decrease or change its ownership over the Common Shares or other securities of the Company.

An early warning report pursuant to the requirements of applicable securities laws will be issued by each of the Acquirors and will be posted to SEDAR at [www.sedar.com](http://www.sedar.com) and available on request at the number below.

For further information, including a copy of the early warning report required under applicable Canadian securities laws to be filed by each of the Acquirors as a result of the Arrangement referred to in this press release, please contact Shimmy Posen at 416-869-1234.