

## Israel Capital Canada Corp. Announces Proposed Qualifying Transaction and Concurrent Financing

**2020-10-13- Israel Capital Canada Corp. (TSX VENTURE: IL.P)** (the "**Company**") is pleased to announce that it has entered into a letter of intent dated for reference October 8, 2020 (the "**Letter of Intent**") with Waveforce Electronics Inc., a private Canadian corporation ("**Waveforce**"), which sets out the terms and conditions pursuant to which the Company will acquire a consumer wellness enhancement membership program ("**The Wavestation**") which comes with a recurring revenue model, a number of existing frequency packages for general wellness and the wearable technology for delivering these frequency packages to its members. In addition, the Company will acquire two additional licenses. One comes with existing revenue and the second comes with the technology that creates the reason for the member to join. The technology below will be used to create innovative products exclusive to members:

- Frequency capture chamber with the capabilities for bundling frequencies together;
- Frequency emitter wearables using a delivery platform designed to use light as it's carrier;
- Frequency imprinting technique using vibration and light; and
- Frequency infusion process using vibration and light combined.

(the "**Licenses**") (the "**Transaction**"). The intention is for the Transaction to constitute the Company's Qualifying Transaction, as such term is defined under the TSX Venture Exchange (the "**Exchange**") *Policy 2.4 – Capital Pool Companies* (the "**CPC Policy**").

The Transaction is considered an asset acquisition and the Company will not be acquiring any corporate entity under the Transaction. On completion of the Transaction, the Company intends to be listed on the Exchange as a Tier 2 technology issuer and will principally focus on providing innovative light and other wave frequencies solutions/packages that are tailored to various consumer applications.

The directors and officers of the Company own approximately 19.49% of the issued and outstanding common shares of Waveforce. Stephen Davis, the CEO and a director of the Company, is the Chairman and a director of Waveforce. Dr. Keith Pyne - a director of the Company - is also a director of Waveforce. The Transaction, therefore, is considered a Non-Arm's Length Qualifying Transaction under the CPC Policy. In accordance with the rules of the Exchange, the Company will seek shareholder approval for the Qualifying Transaction by written consent of the "majority of the minority" or by holding a shareholders' meeting.

### Terms of the Transaction

Under the terms of the Letter of Intent, Waveforce will provide the Company with two licenses. The first is a worldwide, royalty-bearing license to all Waveforce's equipment, prototypes and knowhow involving frequency capturing, software, the transmitting and imprinting of frequencies for any and all consumer applications (the "**Waveforce Technology**"). The second transfers the existing license between Waveforce and FREmedica Technology Inc., a subsidiary of Waveforce, ("**FREmedica**") to the Company. FREmedica has a series of frequencies created and packaged to support managing the symptoms of Lyme Disease (the "**FREmedica Technology**"). The frequency package is delivered on the Waveforce technology and frequency platform. This platform and frequencies are delivered through an App found at <https://fremedica.com> which sends the frequencies to an upgradeable wearable device called "Wave 1". This device transmits the frequencies in a conformable pattern using light diodes onto the skin. Under the agreement, FREmedica is required to pay 30% of its gross revenue pertaining to the sale of the wearable and any fees collected for the use of the frequency package for Lyme Disease to the licensor. The transfer of this license agreement to the Company will result in immediate potential income to the Company.

In consideration for the licensing rights, the Company has agreed to issue Waveforce 15,000,000 common shares of the Company for the Waveforce Technology license and an additional 15,000,000 common shares of the Company for the transfer of FREmedica Technology licensing agreement (together the “**Compensation Shares**”). The parties intend that four Compensation Shares will be issued from treasury to Waveforce for every \$1.00 earned in gross revenue by the Company, (subject to any escrow requirements of the Exchange). In addition to the foregoing, the Company is required to pay Waveforce:

1. a consulting / set-up fee of \$500,000 in cash, stock or combination of both (each share issued deemed at \$0.50 per share). \$100,000 of this amount is to be paid on the issuance of the final Exchange bulletin concerning the Qualifying Transaction and the remainder in equal quarterly installments over a two-year period; and
2. a technology development fee of \$5.00 per month per first year member and \$1.25 per member each year thereafter for all Wave Station Members (as defined in the Letter of Intent).

Any Compensation Shares or other common shares of the Company that are issued will be subject to a hold period under applicable Canadian securities laws expiring four months and a day from the date of issuance. Waveforce has approximately 48 shareholders. The following individuals hold 10% or more of the share interest in Waveforce: 13.22% Stephen Davis (CEO of the Company); 11.17% Stuart Gross; and 12.30% Bill Beadle.

The Letter of Intent provides that the Company and Waveforce will negotiate and enter into a definitive license agreement on or before December 31, 2020.

Further details of the Transaction will follow in future news releases.

### **Proposed Business**

The Company intends to develop and deliver frequency packages to purchasers and users of the Wave 1 device developed by Waveforce and FREmedica. The Company plans to develop other devices capable of delivering frequency packages in the future. The Company also expects to develop and sell annual memberships to access different frequency packages and a private live streaming network it plans to develop. The Wave 1 is intended to receive from the cloud software programming data and then emit layered frequency recordings tailored to the user. The Company intends to offer an increasing variety of light pulse frequency packages to members and clients. These frequency packages will be built by the Company or will be licensed by the Company from third parties.

The licenses and underlying technology being acquired were developed over a 5-year period. Waveforce and FREmedica spent approximately \$642,000 in development costs with third party consultants/engineers. This cost does not include the time and cost associated with inhouse development and testing of the device and software by Waveforce and FREmedica.

The Company expects to obtain immediate ongoing revenue from the transfer of the licensing agreement with FREmedica. Under this license agreement, the Company will be entitled to receive 30% of the gross revenue FREmedica earns pertaining to the sale of the Wave 1 device and any fees collected for the use of the frequency package for Lyme Disease. The Wave 1 device has generated approximately \$415,000 in income for Waveforce to date through the initial test markets.

The foregoing costs and revenue have not been audited.

The Management Team of Waveforce and FREmedica believes that all individuals could benefit from the use of the Wave1 device with different frequency packages aimed to address and support their personal health. Currently, FREmedica is focused on exclusively selling the Wave1 device and Lyme related frequency packages to those who have been diagnosed with Lyme Disease. Lyme Disease is the most common tick-borne disease affecting human and dog health in North America and Europe. If left untreated, it is believed the disease can progress to arthritic, cardiac, and neurological manifestations. According to the CDC, approximately, 30,000 people a year are diagnosed with Lyme Disease in the United States. However, recent estimates propose that in actuality, the infection rate is ten times that amount. It is suggested that approximately 300,000 people per year may get Lyme Disease in the United States alone. (<https://www.cdc.gov/lyme/stats/humancases.html>) The North American total addressable market of potential consumers for the Wave1 and Lyme related frequency packages is valued at approximately \$510 million annually.

### **Concurrent Financing**

As a condition to the completion of the Transaction, the Company will undertake a private placement financing to raise a minimum of \$1,500,000 and up to \$2,000,000 through the issuance of units (the "Units") at a price of \$0.50 per unit (the "Offering"). Each Unit will consist of one common share and one common share purchase warrant (a "Warrant"). Each Warrant shall be exercisable to acquire one common share for a period of 24 months at an exercise price equal to \$1.00 per share. The financing is subject to the approval of the Exchange. On completion of the Transaction, the proceeds of the Offering will be used to further develop the business of the Company and for general working capital purposes. Further details regarding the Offering will be included in a subsequent news release once additional details become available.

### **Capitalization of Company on Close of the Transaction and Offering**

It is expected that following the completion of the Transaction and the minimum Offering there will be approximately 10,181,341 common shares of the Company, 3,000,000 warrants, 200,000 agent's warrants and 460,000 stock options issued and outstanding. The existing shareholders of the Company will hold approximately 7,181,341 (70.53%) of the common shares of the Company; new shareholders of the Company will hold 3,000,000 of the common shares of the Company (29.47%) (assuming the minimum Offering amount is raised); and Waveforce will have the right to earn from treasury 30,000,000 common shares of the Company (approximately 74.66% of the issued and outstanding of the common shares of the Company after issuance).

### **Conditions of Closing**

Completion of the Transaction will be subject to certain conditions, including but not limited to: (a) the receipt of all necessary approvals of the boards of directors of the Company and Waveforce; (b) the receipt of all required consents and approvals, including without limitation, approval of the Transaction by the Exchange as the Company's Qualifying Transaction; (c) the Company satisfying the initial listing requirements set by the Exchange for a Tier 2 technology issuer; (d) the completion by the Company of the Private Placement; and (e) the completion of satisfactory mutual due diligence.

Closing of the Transaction is expected to occur on or prior to December 31, 2020 or such other date as may be agreed upon by the Company and Waveforce. The Agreement may be terminated by either party if (a) the Company and Waveforce mutually agree; (b) the Transaction is not permitted to be the Company's Qualifying Transaction by the Exchange; or (c) Exchange approval has not been received on or before December 31, 2020.

## **Board of Directors and Management**

The board of directors of the Company (the "**Board**") currently consists of four directors (Stephen Davis, Hari Varshney, Brad Aelicks and Dr. Keith Pyne). On completion of the Transaction, it is expected that one independent director will be added to the Board such that it consists of five directors, of which three will be independent. This person has not yet been identified. The Company will consider such further changes as may make sense for the business of the Company going forward, including the addition of another independent director at its next shareholder meeting.

The following sets out the backgrounds of the persons named above.

***Stephen Davis – Chief Executive Officer, President, Director and Promoter.*** Mr. Davis is the Chief Executive Officer, President and a director of the Company and has served in these positions since August 15, 2019. He is also the promoter of the Company. Mr. Davis is the President and CEO of HISco Ventures Inc., a private corporation through which Mr. Davis offers his services as a consultant (June 2007 to Present). He is also the co-inventor and Chairman of Wave Force Electronics Inc., a private BC incorporated company focused on optimizing body function through the utilization of frequencies (May 2007 to present). Mr. Davis also co-founded in January 2006, the Charity, being Funding for Life Society, a charitable organization with the purpose of providing financial assistance to those who are in need of healthcare services not covered by the Canadian Universal Health Care Plan.

***Hari Varshney – Chief Financial Officer, Corporate Secretary and Director.*** Mr. Varshney is the Chief Financial Officer, Corporate Secretary and a director of the Company and has served as Chief Financial Officer and a director since August 15, 2019 and as Corporate Secretary since March 27, 2020. Hari Varshney, a Chartered Accountant since 1971, was elected a Fellow of the Institute of Chartered Accountants in 2004. He obtained his B. Comm (1960) and M. Comm (1962) from Agra University in India. Since 1999 he has focused on the capital markets through Varshney Capital Corp., a merchant banking, venture capital and corporate advisory firm of which he is a director and cofounder. He is currently a director and/or officer of several public companies listed on the TSX Venture Exchange. Mr. Varshney has been involved in various businesses including solar powered energy, mining, and technology. See "Other Reporting Issuer Experience".

***Bradley Aelicks – Director.*** Mr. Aelicks is a director of the Company and has held this position since September 4, 2019. Mr. Aelicks is the President and Director of Pyfera Growth Capital Corp, a private investment corporation that he co-founded in 2016. Pyfera invests in early stage technology companies with a 50% slant to impact and sustainable investments. Mr. Aelicks' 32 years of experience in managing and providing consulting services to public companies brings a broad range of experience to the Company. He has served as a director and officer on over ten public companies from 1987 to 2011 and has been involved in numerous mergers and acquisitions on both the TSX and TSX Venture Exchange. In 2003, Mr. Aelicks co-founded B&D Capital Partners, a consulting firm that assisted public companies in capital raising, deal structure, and investor networking. Mr. Aelicks is a director of TrimLock Inc., a manufacturer of acrylic stucco wall panels and skirting for prefab homes and metal fencing panels. He also serves as an adviser to Ronin8 Technologies Inc. a private company pioneering a processing technique to recover the full spectrum of metals in electronic waste. Mr. Aelicks was a former adviser to HempCo Food and Fibre Inc., a hemp seed processor and retailer recently taken over by Aurora Cannabis Inc. and a former director of AMPD Game Technologies Inc. which provides high speed internet service and hardware to the online gaming and film Industry.

***Dr. Keith Pyne – Director.*** Dr. Pyne is a director of the Company and has served in this position since August 15, 2019. Dr. Pyne is a licensed chiropractor who has a private practice in New York City and is medical advisor to various professional sports organizations. He is recognized as a rehabilitation specialist

accelerating advanced injury recovery and peak performance achievement for professional and Olympic athletes and Fortune 2000 executives around the world. Dr. Pyne is Chairman of the Medical Board of the Washington Nationals baseball team, where he pioneered a proactive medical analytic/data model for injury prevention. In addition to his role as medical analytics performance advisor for the NY Islanders, Dr. Pyne is responsible for player treatment and staff education. Dr. Pyne will devote the time necessary to perform the work required in connection with the management of the Company and the completion of the Qualifying Transaction.

## **Sponsorship**

Sponsorship of a Qualifying Transaction of a capital pool company is required by the Exchange unless exempt in accordance with Exchange policies or a waiver is granted by the Exchange. The Company intends to apply for an exemption from the sponsorship requirements under section 3.4 of the CPC Policy or a waiver of sponsorship if an exemption from sponsorship is unavailable; however, there can be no guarantee that a waiver will be granted if no exemption is available.

## **Trading Halt**

Trading of the common shares of the Company will remain halted in connection with the dissemination of this news release and will recommence trading at such time as the Exchange may determine, having regard to the completion of certain requirements pursuant to the CPC Policy.

## **About the Company**

The Company is a capital pool company within the meaning of the policies of the Exchange that has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the CPC Policy, until the completion of its Qualifying Transaction, the Company will not carry on business other than the identification and evaluation of companies, businesses, or assets with a view to completing a proposed Qualifying Transaction.

## **About Waveforce**

Waveforce was incorporated under the laws of the Province of British Columbia. Waveforce develops light pulse frequency technologies and wearables for different industries to assist in improving performance in people, plants, and products.

## **Additional Information**

The common shares of the Company are currently halted from trading pending completion of the Transaction.

A comprehensive press release with further particulars relating to the Transaction, financial particulars, and descriptions of the proposed board of directors and management of the Resulting Issuer will follow in accordance with the policies of the Exchange.

All information contained in this press release with respect to the Company and Waveforce was supplied by the parties respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

## **Contact Information**

For further information, please contact Stephen Davis, CEO of the Company at 250 732-7170.

## **Cautionary Note**

Completion of the Transaction is subject to a number of conditions including, but not limited to, Exchange acceptance. 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 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 a capital pool company should be considered highly speculative.

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

**Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this press release.**

### **Forward-Looking Statements**

This news release contains certain forward-looking statements, including statements about the Company's completion of the Qualifying Transaction and the Offering as well as its future plans and intentions. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Such factors include, among other things: risks and uncertainties relating to the Company's ability to complete the proposed Qualifying Transaction; and other risks and uncertainties, including those described in the Company's prospectus dated April 14, 2020 filed with the Canadian Securities Administrators and available on [www.sedar.com](http://www.sedar.com). These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this news release are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.