

PENBAR CAPITAL LTD.

Penbar Capital Ltd. Announces Definitive Agreement for the Acquisition of Emissions EV Technologies Ltd.

News Release - Vancouver, BC – November 27, 2023 - Penbar Capital Ltd. (“Penbar”) (TSXV: PEM.P), a capital pool company as defined under Policy 2.4 – *Capital Pool Companies* (“**Policy 2.4**”) of the TSX Venture Exchange (“**TSXV**”), is pleased to announce that, further to its news releases dated October 4, 2023, October 31, 2023 and November 15, 2023, the Company, 1451356 B.C. Ltd., a newly incorporated wholly-owned subsidiary of Penbar (“**NewCo**”), Emissions EV Technologies Ltd. (“**Emissions EV**”), a private arm’s length British Columbia company, and Emission EV Operating Corp., a wholly-owned subsidiary of Emissions EV, have entered into an amalgamation agreement dated November 24, 2023 (the “**Amalgamation Agreement**”), pursuant to which Penbar will acquire all of the issued and outstanding securities of Emissions EV (the “**Transaction**”).

The Transaction is subject to the approval of the TSXV, and is intended to constitute Penbar’s Qualifying Transaction (as defined in Policy 2.4). The combined company that will result from the completion of the Transaction (thereafter referred to as the “**Resulting Issuer**”) will be renamed “Emissions EV Technologies Ltd.” or such other name as agreed to by Penbar and Emissions EV. Subject to TSXV approval, the common shares of the Resulting Issuer (each, a “**Resulting Issuer Share**”) will trade on the TSXV, and the business of the Resulting Issuer will be the business of Emissions EV. It is expected that the Resulting Issuer will be listed on the TSXV as a Tier 2 Technology issuer.

About Emissions EV Technologies Ltd.

Emission EV specializes in the design, manufacturing, and production of electrically powered industrial and commercial vehicles. Emissions EV is dedicated to changing the logistics and production sector by providing sustainable transportation solutions that are at the forefront of the electric vehicle (“**EV**”) industry today. Emissions EV’s collaborative approach involves close engagement with its customers, allowing them to contribute their unique needs and insights to the project, ensuring that the machines that are created for their use are completely without compromise.

Based in New Westminster, British Columbia, Emissions EV creates environmentally friendly, efficient, and reliable vehicles that not only meet industry standards and regulatory requirements but also partner with local suppliers and vendors to manage and maintain the strictest standards in compliance and finished product quality.

By combining its technical capabilities with its ingenious design engineering support, Emissions EV aims to drive innovation, reduce emissions, and usher in a brighter, more sustainable future in hard to decarbonize sectors of the global auto industry.

Summary of the Transaction

Pursuant to the terms of the Amalgamation Agreement, Penbar will acquire all of the issued and outstanding common shares (each, an “**Emissions EV Share**”) in the capital of Emissions EV by way of a “three-cornered” amalgamation whereby NewCo and Emissions EV will amalgamate to

form a new amalgamated entity ("**AmalCo**"), and Amalco will be a wholly-owned subsidiary of Penbar. In addition, Emission EV Operating Corp. will be a wholly-owned subsidiary of Amalco.

At the time of closing of the Transaction (the "**Closing**"), each of the outstanding Emissions EV Shares will be cancelled and, in consideration for such Emissions EV Shares, each holder of Emissions EV Shares (collectively, the "**Emissions EV Shareholders**") will receive one (1) post-Consolidation (as defined below) common share in the capital of Penbar (each, a "**Penbar Share**") for each one (1) Emissions EV Share held by such Emissions EV Shareholder.

Penbar expects to issue an aggregate of 67,091,767 Penbar Shares (on a post-Consolidation basis) for the Emissions EV Shares issued and outstanding immediately prior to the completion of the Concurrent Financing (as defined below). In addition, Penbar expects to:

- i. issue 10,000,000 Penbar Share purchase performance warrants (the "**Penbar Performance Warrants**") to be issued to the former holder of performance warrants of Emissions EV entitling the holder thereof to acquire one post-Consolidation Penbar Share at a price of \$0.15 per Penbar Share, subject to the satisfaction of certain performance conditions enumerated in the certificates representing the Penbar Performance Warrants; and
- ii. issue 15,500,000 Penbar Share purchase warrants to be issued to the former holders of share purchase warrants of Emissions EV entitling the holders thereof to acquire one post-Consolidation Penbar Share at a price of \$0.02 per share until July 28, 2024.

Share Consolidation

Prior to completion of the Transaction, Penbar will seek to consolidate its outstanding Penbar Shares on the basis of two pre-consolidation Penbar Shares for every one post-consolidation Penbar Share (the "**Consolidation**").

Concurrent Financing

In connection with the Transaction, it is anticipated that Emissions EV will complete a non-brokered private placement financing (the "**Concurrent Financing**") of at least 13,333,334 Emissions EV Common Shares at a price of \$0.15 per Emissions EV Common Share to raise aggregate gross proceeds of approximately \$2,000,000.00. No finder's fees, cash commissions and/or broker warrants are expected to be paid and/or issued in relation to the Concurrent Financing.

The proceeds from the Concurrent Financing are intended to be used to pursue the business goals and objectives of the Resulting Issuer as well as for its general working capital purposes. Further information on the Resulting Issuer's business goals and objectives will be provided in the filing statement (the "**Filing Statement**") to be filed with the TSXV in connection with the Transaction.

Corporate Advisory Fee

In connection with the Transaction, the parties agreed that on Closing and subject to approval of the TSXV, an arm's length corporate advisor (the "**Advisor**"), will be paid a merger and acquisition advisory fee of 1,000,000 Resulting Issuer Shares. No other fees will be paid.

Closing of the Transaction

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to: (i) the Company having had the reasonable opportunity to perform searches and other due diligence, and being satisfied with the results of such due diligence; (ii) receipt of all requisite consents, waivers and approvals for the Transaction, including the approval of the TSXV; (iii) the absence of any material adverse change in the business, affairs or operations of Penbar or Emissions EV; (iv) completion of the Concurrent Financing; and (v) Emissions EV and Penbar, as applicable, having received the requisite approvals from their respective shareholders in order to complete the Transaction.

Assuming the completion of the Transaction and the Concurrent Financing, and that no convertible securities of Penbar are exercised, 83,425,100 Resulting Issuer Shares are expected to be issued and outstanding on the date of Closing, of which approximately 2.4% of the Resulting Issuer Shares are anticipated to be held by the current shareholders of the Company, approximately 80.4% are anticipated to be held by the Emissions EV Shareholders, approximately 16.0% will be held by the subscribers to the Concurrent Financing, and approximately 1.2% will be held by the Advisor.

The Transaction is an arm's length transaction and therefore will not require shareholder approval under Policy 2.4 for that reason.

Directors, Officers and Insiders of the Resulting Issuer

Following the Closing, it is expected that the following individuals will be appointed as management and directors of the Resulting Issuer:

Clinton Wong, Chief Executive Officer

Mr. Wong has over 30 years of experience in the automotive modification and upfitting industry. With an extensive history of project management and mechanical design engineering roles, Mr. Wong undertook 6 years of EV development which led towards founding Emissions EV (formerly, 'MEK Electrified Ventures') in 2020. With Mr. Wong leading the production and development team, Emissions EV has delivered safe, rugged and dependable vehicles to mining and industrial customers. Mr. Wong has completed programs at BCIT in business venture management, building science, drafting and metal fabrication and welding which serves to strengthen the hands-on approach to product development and manufacturing.

Sheri Rempel, Chief Financial Officer and Director

Ms. Rempel has more than 25 years of accounting and financial management experience. Ms. Rempel started her career with public companies in 2001 and currently provides senior financial and advisory services to Canadian private and public corporations, acting in officer or Controller capacities.

Peter Smyrniotis, Director

Mr. Smyrniotis is a founder, operator, and board-level executive adept in launching high-growth disruptive companies, shipping new products to market, building teams and revenue through growth stages (from seed to liquidity). He has extensive experience in corporate governance and

fundraising. He is also currently a director with Victory Square Technologies, Spark Real Estate Software, and CoPilot AI.

Darren Miller, Director

Mr. Miller is the founder of Indrocorp Technologies Inc. DBA Indrotek, a company operating in the field of technology and drone operations, and has more than 25 years of experience in the energy sector, including operating oil and gas businesses that he successfully sold. His companies provided oilfield operations as well as pipeline and 56 facility construction projects in the petroleum industry. He later joined the financial sector at Walton Capital Management Inc. where he became immersed in international real estate investment and later co-founded Insure Wealth Group. In 2019, Darren cofounded Indrocorp Technologies Inc. DBA Indrotek, a company rapidly gaining attention internationally with both industry and military in the remotely piloted aircraft system (RPAS drone) defense sector. He holds several board positions.

Ken Marshall, Director

Mr. Marshall has extensive experience in the information technology and telecommunications sectors, having served in various positions at Rogers Communications throughout his career. Mr. Marshall was the Senior VP, National Residential Marketing (Toronto), where he led the Wireline Marketing Group in the launch of the Ignite platform, and also served as the Regional President (Atlantic Region) and the Vice President - Enterprise Business Unit. Mr. Marshall has spent his post telecom time working with emerging start-up organizations. He serves on the Board of Genesis, Newfoundland and Labrador's primary innovation hub and incubator; Growler Energy Inc., in the field of renewable energy production; and served on the Board of Celtx, an online platform for film, video and game production. Mr. Marshall obtained a Bachelor of Commerce (Hons.) from Memorial University in 1984 and a Master of Business Administration (Finance) from Dalhousie University in 1985.

Additional information on the proposed directors, officers and Insiders (as defined in the policies of the TSXV) of the Resulting issuer will be included in a subsequent press release.

Financial Information of Emissions EV

A summary of the financial information (unaudited) of Emissions EV for the years ended December 31, 2021 and December 31, 2022, disclosed in accordance with TSXV policies, is included in the table below:

	Year ended December 31, 2021 (Unaudited) (\$)	Year ended December 31, 2022 (Unaudited) (\$)
Total revenues	683,707	790,783
Total assets	917,235	2,169,463
Total liabilities	2,471,637	2,994,683
Basic and diluted loss per share	(0.02)	(0.03)
Total expenses	993,480	1,097,773

**Net loss and
comprehensive (loss)**

(729,182)

(847,408)

Additional financial information with respect to Emissions EV will be provided in the Filing Statement to be filed with the TSXV in connection with the Transaction.

Sponsorship

Sponsorship of a Qualifying Transaction of a Capital Pool Company is required by the TSXV unless an exemption from the sponsorship requirement is available. Penbar intends to apply for a waiver from the sponsorship requirements. There is no assurance that the Company will be able to obtain such a waiver.

About Penbar Capital Inc.

Penbar Capital Ltd. is a capital pool company created pursuant to the policies of the TSXV. It does not own any assets, other than cash or cash equivalents and its rights under the Amalgamation Agreement. The principal business of Penbar is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to acceptance by the TSXV so as to complete a qualifying transaction in accordance with the policies of the TSXV.

Additional Information

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

Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and, if applicable, pursuant to TSXV requirements, majority of the minority shareholder approval. Where applicable, the Transaction cannot close until the required shareholder approval 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 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 TSXV has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

Contact Information

For more information, please contact:

Emissions EV Technologies Ltd.

Clinton Wong, CEO

(604) 655-1601

Penbar Capital Ltd.

David Eaton, CEO

(604) 688-9588

Disclaimer for Forward-Looking Information

Certain statements in this press release are forward-looking statements, which reflect the expectations of management regarding the Company's completion of the Transaction and related transactions. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future, including but not limited to, statements regarding Emissions EV's business and potential in the EV sector, the listing of the Resulting Issuer Shares on the TSXV, the Company completing the Transaction as described herein or at all, Emissions EV completing the Concurrent Financing, the anticipated board of directors and management of the Resulting Issuer and the conditions to be satisfied for completion of the Transaction. Such statements are subject to risks and uncertainties that may cause actual results, performance, or developments to differ materially from those contained in the statements, including risks related to factors beyond the control of the Company. The risks include the following: that the business of Emissions EV may not be feasible or continue as planned; that Emissions EV may not be successful in penetrating the competitive EV market; that the parties may not receive the requisite corporate approvals of the directors and shareholders for the completion of the Transaction; the TSXV may not approve the Transaction; and other risks that are customary to transactions of this nature. Further, the ongoing labour shortages, high energy costs, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine and surrounding regions are some additional factors that are affecting current economic conditions and increasing economic uncertainty, which may impact the operating performance, financial position, and future prospects of Penbar, Emissions EV, the Resulting Issuer, and the Transaction as a whole. Collectively, the potential impacts of this economic environment pose risks that are currently indescribable and immeasurable. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. The Company disclaims 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.

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