

PINEDALE ENERGY LIMITED
PROPOSED REVERSE TAKE-OVER TRANSACTION AND FINANCING UPDATE

VANCOUVER, BRITISH COLUMBIA - October 6, 2020 - Pinedale Energy Limited (TSXV: MCF) (“**Pinedale**” or the “**Corporation**”), is pleased to announce that further to its news releases dated May 25, 2020, June 26, 2020 and July 29, 2020 the Corporation has executed a definitive merger agreement with Flavocure Biotech, Inc. (“**Flavocure**”), and entered into an engagement letter (the “**Engagement Letter**”) with Leede Jones Gable Inc. (the “**Agent**”) in respect of a proposed offering by Pinedale of subscription receipts (each, a “**Subscription Receipt**”) pursuant to which Pinedale will raise gross proceeds of up to \$3,000,000 (the “**Offering**”), subject to a minimum Offering of \$1,500,000.

Proposed Transaction

Further to the letter of intent entered into on May 19, 2020, the Corporation has entered into a binding merger agreement dated October 6, 2020 (the “**Merger Agreement**”) with Flavocure and Pinedale USA Inc. (“**Pinedale Sub**”) a wholly-owned subsidiary of the Corporation, in respect of a statutory merger under the Delaware General Corporation Law (the “**Proposed Transaction**”). Upon completion of the Proposed Transaction, the resulting company (the “**Resulting Issuer**”) will continue to carry on the business of Flavocure, is expected to change its name to “Flavocure Biotech, Inc.” (which has already been approved by the shareholders of Pinedale), and is expected to remain listed on the TSX Venture Exchange (the “**Exchange**” or “**TSXV**”).

Pursuant to the Merger Agreement, Pinedale is required to implement a 10:1 consolidation of its outstanding Common Shares. Thereafter, Flavocure will merge with Pinedale Sub, and the shareholders of Flavocure will receive post-consolidation Common Shares of the Resulting Issuer based upon the exchange ratio, which is 65 post-consolidation Common Shares for each share of common stock of Flavocure. Certain convertible notes issued by Flavocure will be automatically converted into Flavocure common stock in connection with the Proposed Transaction. The board of directors and officers of the Resulting Issuer will be changed to appoint nominees determined by Flavocure.

The completion of the Proposed Transaction is subject to the satisfaction of various conditions that are customary for a transaction of this nature, including but not limited to, the approval by the shareholders of Flavocure, and the receipt of all requisite regulatory, stock exchange, or governmental authorizations and consents, including the Exchange. The approval by the shareholders of Pinedale is not required under Exchange policies as: (a) the Proposed Transaction is an arm’s length transaction; (b) Pinedale is currently without active operations; (c) Pinedale will not be subject to a cease trade order and is not expected to be suspended from trading on completion of the Proposed Transaction; and (d) shareholder approval of any aspect of the reverse take-over transaction is not required under applicable corporate laws and is not required under applicable securities laws. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Flavocure has also advanced CAD \$75,000 to Pinedale in the form of a promissory note, without interest payable on the unpaid principal, beginning on September 18, 2020 and to be repaid in full before or on December 31, 2020.

Pinedale Financing

In connection with the Offering, each Subscription Receipt will be priced at a \$0.40 per Subscription Receipt (the “**Issue Price**”) and will entitle the holder thereof to receive, without any further action on the

part of the holder or payment of any additional consideration, one post-consolidation Common Share of the Resulting Issuer upon the completion of the Proposed Transaction. The net proceeds of the Offering are expected to be held in escrow and, upon the satisfaction or waiver of certain conditions (the “**Escrow Release Conditions**”), including all conditions to the closing of the Proposed Transaction, the net proceeds will be released to the Resulting Issuer.

The Agent will be paid a cash commission equal to 7% of the proceeds raised under the Offering (the “**Cash Fee**”), and will receive a \$50,000 corporate finance fee as well as expense reimbursement. The Agent will also be issued such number of share purchase options (the “**Agent’s Options**”) as is equal to 7% of the Subscription Receipts sold under the Offering. Each Agent’s Option will entitle the holder to acquire one post-consolidation share of the Resulting Issuer at the Issue Price for a period of twenty-four months following the date of issuance. One-half of the Cash Fee and the corporate finance fee will be payable upon the closing of the Offering, and the remainder of the Cash Fee will be payable on the date the Offering proceeds are released from escrow. The Agent’s Options will be issued on the date that Offering proceeds are released from escrow.

If the Escrow Release Conditions are not satisfied by a stipulated deadline (currently anticipated to be February 28, 2021), then the escrowed funds will be returned to subscribers of Subscription Receipts, and Pinedale shall be required to contribute such amounts as are necessary to refund the aggregate Offering proceeds to such subscribers.

The Engagement Letter is generally non-binding, except for certain provisions with respect to expenses of the Agent. It is contemplated that the Agent must satisfactorily complete due diligence, at which time the parties intend to enter into a formal agency agreement on customary terms. The Offering is subject to Exchange acceptance.

Sponsor Exemption

Pinedale intends to apply for an exemption under Exchange policies from the requirement to obtain a sponsor in respect of the Proposed Transaction, in reliance in part upon the Agent conducting due diligence and assisting with the Offering.

Directors and Officers

Upon closing of the Transaction, it is anticipated that the directors and officers of the Resulting Issuer will include the following individuals:

Dr. Ngeh Toyang, PhD — Director and Chief Executive Officer

Dr. Toyang has over 20 years of research experience in the field of medicinal plants and pharmacognosy at various research institutions including Heifer International, the National Center for Natural Products Research at the University of Mississippi School of Pharmacy, Natural Products Research Laboratory of the University of Leiden, The Netherlands and the Institute of Human Virology of the University of Maryland School of Medicine. He completed his PhD degree in Pharmacognosy under the supervision of Prof. Dr. Rob Verpoorte at the University of Leiden, The Netherlands. Dr. Toyang is the author of over 25 peer reviewed scientific publications and a holder of four patents and several pending patent applications.

Dr. Henry L. C. Lowe, PhD — Director

Dr. Henry Lowe, PhD., was educated at University of the West Indies, (B.Sc. Hons.), University of Sydney, (M.Sc.), Manchester University, (Ph.D.), Bolton Institute of Technology England, (Dip. Technical Education), Harvard University and M.I.T, U.S.A., (Post-Doctoral Studies). Dr. Lowe served as Permanent Secretary for the Government of Jamaica, Dr. Lowe researched and established the first Ministry of Science & Environment in the CARICOM region. He served as Chairman as well as President & CEO of Blue Cross of Jamaica (including the Caribbean Islands). Dr. Lowe holds many awards and accolades, including the Jamaica Observer Business Leader Award (2006) and the CCRP Living Legend Award (2012); and is the only Jamaican who is a member of the prestigious American Association for Cancer Research (AACR). Dr. Lowe is a member of the American Association for the Advancement of Science, Fellow, Royal Society of Medicine United Kingdom, Harvard Medical School Postgraduate Association, American Association of Pharmaceutical Scientists and the American Chemical Society and a Life Member of the New York Academy of Sciences. Dr. Lowe is an Adjunct Professor in the Department of Medicine, University of Maryland School of Medicine, USA and Distinguished Adjunct Professor of Ethno-medicinal Chemistry, University of Technology, Jamaica.

Clark L. Swanson, MBA — Director and Executive Vice Chairman

Mr. Swanson is Co-Founder and Executive Vice Chairman of Flavocure Biotech, Inc. a founding partner of the International Phytomedicines Institute at Harvard Medical School. A start-up veteran, Mr. Swanson has served as Co-Founder, President & Chief Executive Officer and Director of Blackline Safety Corp., a preeminent (Deloitte Fastest 500, TSX 50, Profit 500 & IDC Top 10 to Watch) technology company publicly traded on the TSX Venture Exchange under the trading symbol: BLN. Under his leadership, the company grew to over 100 employees and a market capitalization of nearly \$300,000,000. Prior to this, Mr. Swanson was a top revenue earner for several technology companies where he focused on life sciences at Amgen, DaVita, Pfizer and others. Mr. Swanson holds a degree in Economics from Pepperdine University and a Masters in Business Administration from Graziadio School of Business & Management where he graduated with distinction. He is a guest lecturer at UCLA Anderson School of Management and Pepperdine Graziadio School of Business & Management.

Dr. Philip J. Fagan, Jr., M.D., F.A.C.E.P. — Director

Dr. Fagan is currently medical director of CAN Emergency Physicians, California Hospitalists and Emergency Physicians and ER Physicians Medical Groups. The groups have expanded since 2015 and currently provide emergency medicine and hospital medicine services to seven hospitals in the greater Los Angeles area. Dr. Fagan has extensive emergency medicine and administrative experience. He is currently a Fellow of the American College of Emergency Physicians and has been certified and recertified at regular intervals by the Board of Emergency Medicine. He serves as Chief of Staff of a three-hospital group in Los Angeles. He has also served as Medical Director of McCormick Ambulance Services for twelve years.

Dr. Fagan is a graduate of the University of Notre Dame, Tulane University School of Medicine, with postgraduate studies at the University of Oregon Hospitals and Clinics. Dr. Fagan serves as an emeritus member of the Board of trustees of Tulane University. He also serves on the Library Council at the University of Notre Dame. Dr. Fagan has been chairman of the board of directors and served as Director of Mercury Air Group, a company listed on the American Stock Exchange now NYSE/American, from 1990 to 2000. As CEO of Emergency Department Physicians Medical Group, he practiced emergency medicine and was part of the administrative process. This group was acquired by TeamHealth, a Fortune 1000 Healthcare Provider.

Chris Wolfenberg —Director

Chris Wolfenberg is a partner with Fasken Martineau DuMoulin LLP. He’s practiced business law for almost 20 years and has acted as a director and officer of public, private and not for profit corporations. Chris holds an LL.M. from Cornell Law School, an LL.B. from Queen’s University and a Bachelor of Social Sciences from the University of Ottawa. He has been awarded national and local recognition for his career in law and his community service.

Anthony Deasey —Chief Financial Officer

Mr. Deasey provides financial advisory services to start ups in the medical and technology sectors. He previously served as CEO, CFO and COO of public (Celsion Corp. and Northwest BioTherapeutics, Inc.) and privately held (Seguro Surgical Inc.) medtech companies. Mr. Deasey has raised in excess of \$100MM and successfully managed 2 exits. Prior to his migration into medtech industry, Mr. Deasey was CFO of Church and Dwight Co Inc.’s (NYSE:CHD) Arm & Hammer, served as CFO of Rollerblade, owned by the Goldman Sachs and the Benneton Family, and World Kitchen Inc., a KKR Company, and had held increasingly senior positions at Unilever, Chesebrough Ponds and Price Waterhouse.

Management Addition to Flavocure

Flavocure has appointed David Brooks, M.D., Ph.D. to serve as Interim Chief Medical Officer. Dr. Brooks will be responsible for the planning and execution of Flavocure’s planned clinical trials with Harvard Medical School and Dana Farber Cancer Institute.

Dr. Brooks joins Flavocure having served as Vice President, Clinical Research and Translational Medicine for Deciphera Pharmaceuticals. In this role, Dr. Brooks led the clinical development of four oncology product candidates, set clinical strategy for assets entering testing in direct anti-tumor and immune combination therapy, and planned clinical trials evaluating the combination of immunotherapies with novel myeloid cell checkpoint blockers. Prior to joining Deciphera, Dr. Brooks was Senior Director Physician, Oncology Early Clinical Development at AstraZeneca, where he led the clinical development of a dual specificity PI3K inhibitor across multiple oncology indications and managed external alliances and investigator-sponsored studies.

Dr. Brooks will lend support to a growing team of talented researchers, medical doctors and scientists in Flavocure’s clinical group. Flavocure, VP of Regulatory and Quality Control, Dr. Tom Lang, previously President and Vice Chairman of Serono, Inc., and President of Stallergenes, Inc., said of the appointment, “Dr. Brooks is a well-respected veteran of the biopharmaceutical industry and we are pleased to have him take on this leadership role in support of our clinical efforts.”

Summary Financial Information

Set forth below is a summary of certain audited financial information of Flavocure for the year ended December 31, 2019.

<u>Category</u>	<u>As at December 31, 2019</u>
Total Assets	\$640,393
Total Liabilities	\$1,773,092
Total Shareholder Equity	(\$1,132,700)
Revenue	\$0

Expenses	\$1,831,852
Net Income	(\$1,831,852)

Trading Halt

Pinedale's common shares are currently halted from trading, and the trading of the shares is expected to remain halted pending completion of the Proposed Transaction.

About Flavocure Biotech, Inc.

A privately held company, Flavocure Biotech, Inc. aims to be a leader in the transformation of medicinal properties from cannabis. The company, in collaboration with some of the most prestigious medical research institutions in the world, has discovered ground-breaking cannabis derived molecules and generated preliminary data indicating activity against therapeutically validated kinase mutation targets. Flavocure's patent filed technology has led to an FDA Orphan Drug designation, as well as allowed the company to begin IND enabling studies for Phase 1/2 human clinical trials.

For further information please contact:

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Cautionary Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to Pinedale, Flavocure, their respective businesses, the Proposed Transaction and the Merger Agreement, and the ability of Pinedale and Flavocure to obtain regulatory approvals (including acceptance of the TSXV) to implement the Proposed Transaction. Forward-looking information can be identified by the use of words such as "plans", "is expected", "expects", "intends", "contemplates", "anticipates", "believes", "proposes", "estimates", "aims" or variations of such words and phrases, or statements that certain actions, events, or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such statements are based upon the current expectations of the management of each company. The forward-looking events and circumstances discussed in this release, including the fulfilment of the conditions of the Merger Agreement, completion of the Proposed Transaction and completion of the Offering may not occur by certain specified dates or at all and the final terms of such actions or events could differ materially as a result of known or unknown risk factors or uncertainties affecting the companies, including the risk that Pinedale and Flavocure may not be able to obtain all required approvals for the Proposed Transaction, including the acceptance of the TSXV, the risk that

Flavocure may not be able to raise the required capital by reason of the state of capital markets, economic conditions or otherwise, and risks related to the novel coronavirus disease 2019 (COVID-19) and its impact upon the business, operations, financings and completion of the Proposed Transaction. Although Pinedale and Flavocure have attempted to identify important factors that could cause actual actions, event or result to differ materially from those described in the forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking information can be guaranteed. Except as required by applicable securities laws, forward-looking information speaks only as of the date of this press release, and Pinedale and Flavocure undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The information about Flavocure contained in the press release has not been independently verified by Pinedale.