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News Release: 18-04

## **MOUNTAIN LAKE ANNOUNCES EXECUTION OF DEFINITIVE AGREEMENTS WITH TWO LATE STAGE ACMPR APPLICANT COMPANIES AND ARRANGEMENT AGREEMENT FOR SPIN-OFF OF MINING ASSETS; PRIVATE PLACEMENT UPDATE**

**June 8, 2018 - Wolfville, Nova Scotia; Mountain Lake Minerals Inc. (CSE:MLK) (“Mountain Lake” or the “Company”)** is pleased to announce, further to its press release dated March 15, 2018, that in addition to executing a definitive share exchange agreement dated June 6, 2018 with 1151024 B.C. Ltd. (“**1151024**”) and its shareholders for the acquisition of all of the issued and outstanding shares of 1151024 (the “**Active Health Transaction**”), it has also executed a definitive share exchange agreement dated June 6, 2018 with 1157630 B.C. Ltd. (“**1157630**”) and its shareholders for the acquisition of all of the issued and outstanding shares of 1157630 (the “**Go Green Transaction**” and collectively with the Active Health Transaction, the “**Transactions**”). The Transactions constitute a Fundamental Change of the Company pursuant to the policies of the Canadian Securities Exchange.

The Transactions are subject to, a consolidation of the Company’s existing common shares on a ten (10) old for one (1) new basis (the “**Consolidation**”) and the approval of the Company’s shareholders of a spin-off of its mining assets under a plan of arrangement to completed following the completion of the Transactions (the “**Spin-Off**”).

Bill Fleming, Executive Chairman of the Company states, “These transactions are beneficial to all parties and most importantly to current and new shareholders. The Transactions are a tremendous opportunity to benefit in the exciting and growing medicinal and recreational cannabis industry and to participate in the spin out of mining assets. We will be aggressively targeting mining properties and adding them to our stable of properties.”

### **About 1151024**

As previously announced, 1151024 is a private company doing business through Active Health Products Ltd. (“**Active Health**”), a subsidiary company with an application to produce medical marijuana under Canada’s *Access to Cannabis for Medical Purposes Regulations* (the “**ACMPR**”).

Active Health is pursuing its license application on a ½ acre of land in the Duncan Industrial Park and has plans to build an 11,000 sq. ft facility on the site which is expected to be completed within six months of commencement of construction which has not yet occurred. The expected cost of the facility is approximately \$1 million with construction anticipated to commence immediately following completion

of the Transactions. Active Health's license application is in the detailed review stage and has passed its security clearances.

### **About 1157630**

1157630 is a private company doing business through Go Green B.C. Medicinal Marijuana Ltd. ("Go Green"), a subsidiary company also holding an application to produce medical marijuana under the ACMPR.

Go Green is pursuing its license application in Kelowna and has its municipal approvals in place. Go Green's facility is 80% completed, with 12,000 sq. ft of growing space which has in the past been used for legal production of medical marijuana. 100% completion of the facility is expected to occur within 60 days. Go Green plans to expand the facility to 22,000 sq. ft contingent upon the granting of a cultivation license under the ACMPR for its existing facility with such expansion having an anticipated approximate cost of \$750,000. Go Green's license application is in the detailed review stage and has passed its security clearances.

There can be no assurances that a license to cultivate or license to sell will be granted to either of Active Health or Go Green and at this time an estimate of the time it may take for any license to be granted to either of them is not possible to determine. Until Active Health and Go Green has developed facilities meeting the requirements under the ACMPR and a license to cultivate is received, neither Active Health nor Go Green may begin production of medical marijuana and until a license to sell is granted, they cannot sell medical marijuana.

### **The Transactions**

Under the terms of the Active Health Transaction, the Company will acquire 100% of the issued and outstanding shares of 1151024 in consideration of the issuance of 35,100,000 post-Consolidation common shares at a deemed price of \$0.30 per share, which shares will be distributed to the shareholders of 1151024 in proportion to their percentage of shares of 1151024 held. In connection with the Active Health Transaction, the Company will assume certain obligations of 1151024 to repay a shareholder loan in the amount of \$200,000 and to make cash payments to the former owners of Active Health in the aggregate amount of \$200,000 due November 15, 2018. Upon the signing of the share exchange agreement, 1151024 advanced to the Company a loan of \$200,000 on an unsecured basis to provide the Company with working capital and for expenses relating to the Transactions and Spin-Off, including the preparation of technical reports.

Under the terms of the Go Green Transaction, the Company will acquire 100% of the issued and outstanding shares of 1157630 in consideration of the issuance of 40,000,000 post-Consolidation common shares at a deemed price of \$0.30 per share, which shares will be distributed to the shareholders

of 1157630 in proportion to their percentage of shares of 1157630 held. In connection with the Go Green Transaction, the Company will assume certain obligations of 1157630 to make cash and share payments to the former owner of Go Green in the aggregate amount of \$1,725,000 of which \$725,000 is payable in cash in two instalments and \$1,000,000 is payable through the issuance of post-Consolidation common shares of the Company at a deemed value of \$0.30 per share. A finder's fee of 200,000 post-Consolidation common shares is payable to an arm's length finder in relation to the Go Green Transaction

### **Private Placement**

As previously announced by the Company on March 15, 2018, it has arranged a non-brokered private placement through the sale of units (each a "Unit") at a price of \$0.30 per Unit (the "Placement"). The Placement is to be completed post-Consolidation and will be increased in size to up to \$6,000,000 to be raised from the sale of up to 20,000,000 Units. Each Unit will consist of one (1) post-Consolidation common share of the Company and one half (0.5) of one transferable share purchase warrant to acquire a further post-Consolidation common share at a price of \$0.50 per share for a period of one year. It is anticipated that an initial tranche of the Placement will be completed shortly in order to fund the Company's ongoing expenses relating the Transactions and to provide working capital to the Company's subsidiary in relation to the Spin-Off (as described below). The remaining tranches of the Placement will either be completed concurrently with the Transactions or as a subscription receipt financing, with each such subscription receipt being issued at a price of \$0.30 per subscription receipt, with the proceeds thereof being held in escrow pending completion of the Transactions, following which the subscription agreements would be deemed to be exchanged, without payment of additional consideration, into Units. Additional details regarding the Placement will be provided as the Transactions progress.

The proceeds of the Placement will be utilized to provide operating capital for the Company following completion of the Transactions as well as to provide continued exploration funds necessary for the spin out entity and allow it to pursue a listing of its common shares.

Finder's fees may be payable in connection with the Placement.

### **Spin-Out**

The Company is also pleased to announce that it has executed an arrangement agreement dated June 7, 2018 (the "Arrangement Agreement") with a wholly owned subsidiary ("Spinco"), created for the purposes of completing the Spin-Off. Pursuant to the Arrangement Agreement, the Company will transfer to Spinco its existing mineral property assets in exchange for the issuance of common shares of Spinco (the "Spinco Shares") to be distributed to the Company's shareholders by way of a plan of arrangement. The Spin-Off will close immediately following the Placement and Transactions, and the Company will contribute \$1,000,000 to Spinco, raised pursuant to the Placement, for working capital.

Paul Smith, the Company's President and CEO, comments, "This is an exciting time for Mountain Lake Minerals and its spin out company. Management believes the strength of this new team to advance its

economic and social objectives will maximize its growth potential on several fronts to the benefit of its shareholders.”

The Spin-Out is subject to the approval of the Company’s shareholders, as well as the B.C. Supreme Court and there can be no assurance that the proposed Spin-Out will be completed. It is expected that a meeting of the Company’s shareholders will be called shortly in respect of the Spin-Out and other annual general meeting matters. For each post-Consolidation common share of the Company held on the record date for the Spin-Out, which has not yet been determined, but will occur following the completion of the Transactions and Financing, a shareholder will receive one (1) Spinco Share. Spinco will apply for the listing of its common shares on a Canadian stock exchange, but there can be no assurances that the Spinco Shares will be listed upon completion of the Spin-Out or at all. Additional information concerning Spinco, the Arrangement Agreement, the Spinco Shares and the Spin-Out will be set forth in the management information circular to be distributed to shareholders.

### **Conditions of the Transactions and Spin-Out**

Completion of the Transaction and Spin-Out is subject to a number of conditions, including but not limited to: (a) receipt of all necessary regulatory approvals, including the approval of the CSE; (b) completion of the Consolidation and Placement and (c) the approval of the Company’s shareholders. The Transactions and Spin-Out cannot close until the conditions are satisfied. There can be no assurance that the Transactions and/or Spin-Out will be completed as proposed or at all. Trading in the securities of the Company should be considered highly speculative.

### **Additional Information**

Further details concerning the Transactions, 1157630, Go Green, 1151024 and Active Health (collectively the “**Targets**”) and the Financing, as well as other matters, will be announced and incorporated into a listing statement concerning the Transactions. Trading in the common shares of the Company has been halted as of June 7, 2018 and is expected to remain halted pending satisfaction of applicable requirements of the CSE. There can be no assurance that trading in the common shares of the Company will resume prior to completion of the Transactions.

Upon completion of the Transaction, the Company intends to change its name to “PacificRoots Growers Ltd.” or such other name as the parties may agree and the parties expect a new trading symbol to be assigned.

For further information regarding the Company, see the Company’s disclosure documents on SEDAR at [www.sedar.com](http://www.sedar.com)

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*within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

*About Mountain Lake Minerals Inc.*

*Mountain Lake Minerals Inc. is a junior exploration company exploring for precious metal deposits. Mountain Lake's current projects are located on the pro-mining island of Newfoundland and include: a 100% interest in the Little River high-grade gold exploration property, and a 100% option agreement on Caledonia Brook.*

*Completion of the Transaction is subject to a number of conditions, including but not limited to, CSE acceptance and, if applicable, pursuant to the requirements of the CSE, shareholder approval. There can be no assurance that the Transaction will be completed as proposed or at all.*

*Trading in the securities of the Company should be considered highly speculative.*

*All information in this news release concerning the Targets has been provided for inclusion herein by the Targets. Although the Company has no knowledge that would indicate that any information contained herein concerning the Targets is untrue or incomplete, the Company assumes no responsibility for the accuracy or completeness of any such information. Investors are cautioned that, except as disclosed in the listing statement to be prepared in connection with the Transactions or the management information circular to be prepared in connection with the Spin-Out, any information released or received with respect to the Transactions or Spin-Out may not be accurate or complete and should not be relied upon.*

*Certain statements included in this news release constitute forward-looking information or statements (collectively, "forward-looking statements"), including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", "may", "should" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts but reflect current expectations regarding future results or events. This news release contains forward looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.*

*Statements about the Target's business plans, the proposed Placement and its completion and terms, closing of the Transactions and Spin-Out, expected terms of the Transactions and Spin-Out, the number of securities of the Company that may be issued in connection with the Transactions and Spin-Outs the*

*requirement to obtain shareholder approval, the Parties' ability to satisfy any and all other closing conditions, and receive necessary regulatory and CSE approvals in connection therewith and the terms associated therewith and completion of the Consolidation and any additional reorganizational transactions, including the Spin-Out are all forward-looking information. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including, anticipated costs, and the ability to achieve its goals.*

*Factors that could cause the actual results to differ materially from those in the forward-looking statements include, failure to obtain regulatory approval, the continued availability of capital and financing, and general economic, market or business conditions, changes in legislation and regulations, increase in operating costs, equipment failures, failure of counterparties to perform their contractual obligations, litigation, the loss of key directors, employees, advisors or consultants and fees charged by service providers. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that either of the Transactions or the Spin-Out will occur or that, if the Transactions or Spin-Out do occur, they will be completed on the terms described above. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law. Readers should not place undue reliance on the Company's forward-looking statements. Neither the CSE nor its regulation services provider accepts responsibility for the adequacy or accuracy of this news release.*

**For additional information, please contact:**

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ON BEHALF OF THE BOARD OF DIRECTORS

s/“Paul K. Smith”