



CSE: PRIM  
FSE: 1WZ:GR  
OTC: PEMTF

## PRIMARY ENERGY METALS ENTERS INTO DEFINITIVE AGREEMENT TO ACQUIRE COLOMBIAN LICENSED PRODUCER

VANCOUVER, BC, CANADA (November 5, 2019) – **Primary Energy Metals Inc. (CSE-PRIM FSE: 1WZ:GR OTC: PEMTF)** (the “**Company**”) is pleased to announce that it has entered into a definitive share purchase agreement (the “**Purchase Agreement**”), dated November 4, 2019, with NNZ Consulting Corp. (“**NNZ**”) and each of its shareholders. The Purchase Agreement replaces the previously announced letter of intent entered into between the Company and NNZ. Pursuant to the terms of the Purchase Agreement, the Company intends to acquire all of the outstanding share capital of NNZ (the “**Transaction**”).

NNZ is a privately-held company which, through its subsidiary Ihuana SAS (“**Ihuana**”), is licensed to cultivate non-psychoactive cannabis in Colombia for seed production, manufacturing of derivative products such as cannabidiol (“**CBD**”) and for industrial purposes. Ihuana is seeking to become a large-scale cultivator of naturally-grown non-psychoactive cannabis and a producer of CBD, with its primary operations centralized in the Bogota savannah in central Colombia.

Colombia has an excellent climate for outdoor cannabis cultivation, low labour and construction costs and an established infrastructure for agricultural exports. Colombia also has progressive laws on the cultivation and sale of medical cannabis and has previously granted international export permits for medical-grade CBD. Management believes that these factors will allow Ihuana to produce and export CBD efficiently and inexpensively in the future.

Upon completion of the Transaction, the Company will focus its efforts on the existing business of NNZ, and will change its name to “Mota Ventures Corp.” to reflect its activities in the South American cannabis sector.

In consideration for the acquisition of NNZ, the Company proposes to issue 39,997,500 common shares (the “**Consideration Shares**”) to the existing shareholders of NNZ. Pursuant to the terms of the Purchase Agreement, a portion of the Consideration Shares will be subject to an escrow arrangement in accordance with the policies of the Canadian Securities Exchange (the “**Exchange**”), from which they will be released in tranches over a thirty-six month period. The Company also proposes to issue 4,000,000 common shares (the “**Finders’ Fee Shares**”) to certain arms’-length third-parties who assisted in introducing the Transaction to the Company, as well as 800,000 common shares (the “**Advisory Fee Shares**”) to a contractor, as consideration for certain corporate finance advisory services provided to the Company. The Finders’ Fee Shares, and the Advisory Fee Shares, will be subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws. The Company is not expected to assume any long-term liabilities in connection with the Transaction, but will assume responsibility for all ongoing obligations of NNZ.

In connection with the Transaction, Chad Clelland has been appointed to the board of directors of the Company. Mr. Clelland co-founded the Greenleaf Medical Clinic in 2011 and the website *MedicalMarijuana.ca* in 2009, and brings extensive experience in cannabis production, genetics and quality control. He also served as Chief Executive Officer of Folium Life Sciences, a



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Canadian licensed producer, where he was responsible for designing and developing their production facility on Vancouver Island. Mr. Clelland fills the vacancy created by Zachary Stadnyk, who has resigned to pursue other ventures. No other changes to the board of directors or management of the Company are anticipated in connection with the Transaction.

The Transaction constitutes a "Fundamental Change" for the Company under the policies of the Exchange. As a result, the Transaction requires approval of the majority of the shareholders of the Company. The Company intends to gain such approval by obtaining the written consent of the majority of the shareholders of the Company.

Pending completion of filings with the Exchange in connection with the Transaction, trading in the Company's common shares is currently halted. It is anticipated that trading will remain halted until the Transaction has been completed. Following completion of the Transaction, it is anticipated that the Company will continue to be listed on the Exchange, then under the name "Mota Ventures Corp.", and that its common shares will trade under the ticker symbol "MOTA".

Completion of the Transaction remains subject to a number of conditions, including the approval of the shareholders of the Company, and the approval of the Exchange. The Transaction cannot be completed until these conditions are satisfied, and there can be no assurance that the Transaction will be completed in a timely fashion, or at all. Further information concerning the Transaction, including financial information for NNZ and Ihuana, will be available in the listing statement being prepared by the Company for filing with the Exchange. Once complete, a copy of the listing statement will be available for review under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **ON BEHALF OF THE BOARD OF DIRECTORS**

### **PRIMARY ENERGY METALS INC.**

Joel Shacker  
Chief Executive Officer

For further information, readers are encouraged to contact Patrick Morris, Director, at 604.761.8597 or by email at [info@primaryenergymetals.com](mailto:info@primaryenergymetals.com)

*Completion of the Transaction is subject to a number of conditions, including acceptance of the Canadian Securities Exchange. The Transaction cannot close until the required approvals are obtained, and the outstanding conditions are satisfied. There can be no assurance that the Transaction will be completed as proposed or at all. Investors are cautioned that 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 the Company should be considered highly speculative. The Canadian Securities Exchange has in no way passed upon the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.*



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*This news release may contain certain “Forward-Looking Statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When or if used in this news release, the words “anticipate”, “believe”, “estimate”, “expect”, “target”, “plan”, “forecast”, “may”, “schedule” and similar words or expressions identify forward-looking statements or information. These forward-looking statements or information may relate to the proposed Transaction, the anticipated business activities of NNZ and Ihuana, the terms of any financing of the Company to be completed in connection with the Transaction, the reliability of third party information and other factors or information. Such statements represent the Company’s current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties. For the purposes of such statements, the Company has assumed the regulatory regime in place in Colombia will continue to permit Ihuana to cultivate non-psychoactive cannabis and produce CBD, and that the Company will be able to obtain the financing necessary to complete the Transaction on terms acceptable to the Company. Many factors, both known and unknown, could cause results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements. Such factors include changes to the regulatory regime in Colombian with respect to the cultivation of non-psychoactive cannabis and production of CBD, the ability of the Company to complete financing on terms acceptable to the Company, and the receipt of regulatory and shareholder approvals necessary for completion of the Transaction. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules and regulations.*