

VALDY INVESTMENTS LTD.
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**VALDY INVESTMENTS LTD. ANNOUNCES SHAREHOLDER APPROVAL TO CHANGES IN ACCORDANCE
WITH NEW CPC POLICY WHICH BECAME EFFECTIVE ON JANUARY 1, 2021**

Vancouver, British Columbia – May 10, 2021 – Valdy Investments Ltd. (“**Valdy**” or the “**Company**”) (TSX Venture: VLDY.P), a Capital Pool Company, as defined in the policies of the TSX Venture Exchange (the “**Exchange**”), is pleased to announce that due to changes recently announced by the Exchange to its Capital Pool Company program and changes to the Exchange’s Policy 2.4 – *Capital Pool Companies*, which became effective as at January 1, 2021 (the “**New CPC Policy**”), the Company intends to implement certain amendments to further align its policies with the New CPC Policy.

The Company obtained disinterested shareholder approval at its special meeting held on March 12, 2021 (the “**Meeting**”), for the following matters: (i) to remove the consequences of failing to complete a QT within 24 months of the Company’s date of listing on the Exchange (the “**Listing Date**”); (ii) to amend the escrow release conditions and certain other provisions of the Company’s Escrow Agreement (the “**Escrow Agreement**”); (iii) allow for the payment of finder’s fees to non-arm’s length parties in accordance with the New CPC Policy; (iv) extend the term of the Company’s outstanding Agent’s options (the “**Agent’s Options**”) from two years to five years; and (v) to amend the Company’s Stock Option Plan (the “**Option Plan**”) to, among other things, become a “10% rolling” plan prior to the Company completing a Qualifying Transaction (“**QT**”). These proposed amendments are described in further detail below.

Removal of the Consequences of Failing to Complete a QT within 24 Months of the Listing Date

Formerly, under the Exchange’s Policy 2.4 – *Capital Pool Companies* (as at June 14, 2010) (the “**Former Policy**”) there were certain consequences if a QT is not completed within 24 months of the Listing Date. These consequences included a potential for common shares of the company (the “**Shares**”) to be delisted or suspended, or, subject to the approval of the majority of the Company’s shareholders, transferring Shares to list on the NEX and cancelling certain seed shares. The New CPC Policy has removed these consequences assuming disinterested shareholder approval is obtained. The Company believes that the removal of these consequences will afford the Company greater flexibility to complete a QT that is beneficial to all interested parties, and will also allow the Company to better withstand market volatility. The Company obtained disinterested shareholder approval to the removal of such consequences at the Meeting. Only one director or officer, Johnny Ciampi, voted at the Meeting, but the 900,000 Shares that he owns directly and indirectly were not counted in the disinterested shareholder vote.

Amendments to the Escrow Agreement

The Company obtained disinterested shareholder approval to the Company making certain amendments to the Escrow Agreement, including allowing the Company’s escrowed securities to be subject to an 18-month escrow release schedule as detailed in the New CPC Policy, rather than the 36-month escrow release schedule in the Former Policy. In addition, the Company will amend the Escrow Agreement such that all options granted prior to the date the Exchange issues a final bulletin for the QT (“**Final QT Exchange Bulletin**”) and all Shares that were issued upon exercise of such options prior to the date of

the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than options that (a) were granted prior to the IPO with an exercise price that is less than the issue price of the Shares issued in the IPO and (b) any Shares that were issued pursuant to the exercise of such options, which will be released from escrow in accordance with the 18 month escrow release schedule as detailed in the New CPC Policy. Only one director or officer, Johnny Ciampi, voted at the Meeting, but the 900,000 Shares that he owns directly and indirectly were not counted in the disinterested shareholder vote.

Amendments to Finder's Fees

The New CPC Policy has removed the restriction for paying finder's fees to a non-arm's length party to a Capital Pool Company, notwithstanding section 3.2(a) of the Exchange's Policy 5.1 – *Loans, Loan Bonuses, Finder's Fees and Commissions*, provided that: (i) the QT is not a non-arm's length QT; (ii) the QT is not a transaction between a Capital Pool Company and an existing public company in accordance with Part 14 of the policy; (iii) the finder's fee is payable in the form of cash, Shares and/or warrants only; (iv) the amount of any concurrent financing is not included in the value of the measurable benefit used to calculate the finder's fee; and (v) Shareholder approval of the finder's fee is obtained by ordinary resolution at a meeting of Shareholders or by the written consent of Shareholders holding more than 50% of the issued listed shares, provided that the votes attached to the listed shares of the Capital Pool Company held by the recipient of the finder's fee and its associates and affiliates are excluded from the calculation of any such approval or written consent. The Company obtained disinterested shareholder approval to the resolution approving the Company permitting the payment of any finder's fee or commission to a non-arm's length party to the Company upon completion of the QT. Only one director or officer, Johnny Ciampi, voted at the Meeting, but the 900,000 Shares that he owns directly and indirectly were not counted in the disinterested shareholder vote.

Extension of terms of Outstanding Agent's Options

The New CPC Policy permits companies to increase the length of the term of any outstanding Agent's Options if (i) such increased term does not exceed five years from the date that the Agent's Options were originally granted, and (ii) the exercise price of the Agent's Options is higher than the Market Price (as defined in the policies of the Exchange) of the Shares at the time of the announcing of the proposed change. The Company obtained disinterested shareholder approval to extend the term of the Company's outstanding Agent's Options from two years to five years. Currently, there are 250,000 Agent's Options outstanding which entitles the holder thereof to purchase shares at a price of \$0.10 per Share until May 27, 2021. The following persons, who in aggregate, hold or control, directly or indirectly, 250,000 Agent's Options, were excluded from the vote: Leede Jones Gable Inc. holding 1,412,000 Shares and PI Financial Corp. holding 183,000 Shares.

Amendments to the Option Plan

The amendments to the Option Plan under the New CPC Policy (i) allow the Shares reserved for issuance as options not to exceed 10% of the Shares issued and outstanding as at the date of grant, rather than at the closing date of the initial public offering ("**IPO**"), for options issued prior to the QT; (ii) allow the minimum exercise price for options granted before the initial public offering is the lowest Seed Share (as defined in the Plan) issue price; (iii) allow the number of Shares reserved for issuance as options to any individual director or senior officer not to exceed 5% of the Shares outstanding as at the date of grant, rather than at the closing date of the IPO, for options issued prior to the QT; (iv) allow the number of

Shares reserved for issuance as option to Consultants, as defined in the Option Plan, not to exceed 2% of the Shares outstanding as at the date of grant, rather than at the closing date of the IPO, for options issued prior to the QT; and (v) require, prior to the granting of options, the optionee to first enter into an escrow agreement agreeing to deposit the options, and the Shares acquired pursuant to the exercise of such options, into escrow as described in the escrow agreement. Only one director or officer, Johnny Ciampi, voted at the Meeting, but the 900,000 Shares that he owns directly and indirectly were not counted in the disinterested shareholder vote.

Other Changes

Under the New CPC Policy, the Company is permitted to implement certain other changes from the Former Policy without obtaining shareholder approval. As a result, the Company wishes to have the option to take advantage of all the changes under the New CPC Policy that do not require shareholder approval, which became effective on January 1, 2021, including, but not limited to:

- (i) increasing the maximum aggregate gross proceeds to the treasury that the Company can raise from the issuance of Shares in the IPO, seed shares and private placement to the new maximum of \$10,000,000, rather than \$5,000,000 which was the limit under the Former Policy;
- (ii) removing the restriction which provided that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Company and \$210,000 may be used for purposes other than identifying and evaluating assets or businesses and obtaining shareholder approval for a proposed QT, and implementing the restrictions on the permitted use of proceeds and prohibited payments under the New CPC Policy, under which reasonable general and administrative expenses not exceeding \$3,000 per month are permitted; and
- (iii) removing the restriction such that now one person has the ability to act as the chief executive officer, chief financial officer and corporate secretary of the Company at the same time.

About the Company

The Company is a capital pool company pursuant to Policy 2.4 of the Exchange. Except as specifically contemplated in such policy, until the completion of its QT (as defined in the policy), 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 QT. Investors are cautioned that trading in the securities of a capital pool company is considered highly speculative.

ON BEHALF OF THE BOARD

"Johnny Ciampi"

Johnny Ciampi
Chief Financial Officer, Corporate Secretary,
Director and Promoter
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The TSX Venture Exchange has neither approved nor disapproved the contents of this news release. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.