

SVT CAPITAL CORP.
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**SVT ANNOUNCES EXECUTION OF LETTER OF INTENT
WITH DELTA 9 BIO-TECH INC.**

February 28, 2017 - Vancouver, BC - SVT Capital Corp. (TSXV:VTC) ("SVT") is pleased to announce that it has entered into a letter of intent dated effective February 27, 2017 (the "**LOI**") with Delta 9 Bio-Tech Inc. ("**Delta**"), an arm's length Manitoba-based licensed producer of medical cannabis, pursuant to which SVT has agreed to acquire all of the securities of Delta (the "**Transaction**"). Pursuant to the terms of the LOI, the shareholders of Delta will receive one common share of SVT (each, a "**SVT Share**") for each share of Delta held. In connection with the completion of the Transaction (the "**Closing**"), SVT intends to change its name to "Delta 9 Cannabis Inc." or such other name as may be agreed by the parties.

The Transaction will result in the reverse takeover of SVT by Delta (as defined in the policies of the TSX Venture Exchange (the "**TSXV**")). SVT and Delta are parties dealing at arm's length, therefore the Transaction will not be a non-arms' length transaction under the policies of the TSXV. Upon successful completion of the Transaction, it is anticipated that SVT will be listed as a Tier 2 Industrial issuer on the TSXV.

About Delta 9 Bio-Tech Inc.

Delta, a company incorporated under the laws of the Province of Manitoba, founded by the father and son team of Bill and John Arbuthnot in 2012, obtained a production license under the Marihuana for Medical Purposes Regulations in December 2013 followed by its license to distribute medical cannabis in March 2014. Since that time Delta has established itself in its 80,000 square foot production facility in East Winnipeg and grown from 2 employees to 30. Delta is focused on growing small batch, hand trimmed, high quality medical cannabis strains. Delta currently has a rotation of approximately 15 different strains of cannabis that are available to its 1300 medical patients across Canada.

Terms of the Transaction

It is anticipated that the completion of the Transaction will involve, among other things, the following steps, but the parties may agree to a different structure based on tax efficiencies and the advice of legal and financial advisors:

- SVT will assist Delta in obtaining a secured bridge loan in the minimum amount of \$3,000,000 (the "**Bridge Loan**"), which will be advanced to Delta concurrently with the execution of the formal agreement (the "**Formal Agreement**") for the Transaction. The terms of the Bridge Loan are expected to include, but not be limited to: (a) an interest rate of 10% per annum; (b) a maturity date of one year from the date of the advance of the Bridge Loan (the "**Maturity Date**"); (c) principal and accrued interest payable on the Maturity Date; (d) security to be evidenced by a general security agreement (a "**GSA**"),

to be executed by Delta in favour of the lender(s), granting to the lender(s) a security interest in all present and after acquired property and any real estate interests held by Delta; and (e) all principal plus accrued but unpaid interest thereon being convertible, on the Closing, into SVT Shares;

- SVT will acquire all the shares of Delta by way of a three-cornered amalgamation between SVT, Delta and a wholly-owned subsidiary of SVT ("**Newco**") to be formed for the purpose of completing the amalgamation;
- shareholders of Delta will receive one SVT Share for each share of Delta, provided that the number of SVT Shares shall not exceed 44,648,596 SVT Shares;
- SVT will complete a financing to raise gross proceeds of at least \$3,000,000 million, on terms to be determined (the "**Concurrent Financing**").

As at the date hereof, SVT has 5,470,490 SVT Shares issued and outstanding and Delta has 35,000,000 Class A common voting shares (the "**Class A Shares**") and 6,148,596 Class B common voting shares (the "**Class B Shares**") issued and outstanding, on an undiluted basis. Certain of the SVT Shares issuable pursuant to the Transaction and the Concurrent Financing will be subject to the escrow requirements of the TSXV or hold periods as required by applicable securities laws. It is not expected that shareholder approval will be required for the Transaction under the policies of the TSXV. A summary of significant financial information with respect to Delta will be included in a subsequent news release.

Completion of the Transaction will be subject to certain conditions which may be waived by the parties, including:

- completion of satisfactory due diligence by the parties;
- SVT and Delta obtaining the consent of any parties from whom consent to the consummation of the Transaction is required, including shareholders of Delta, the TSXV and other applicable regulatory authorities, and the shareholders of SVT if required;
- completion of the Concurrent Financing;
- Delta purchasing all of the assets of Delta 9 Bio-Tech Limited Partnership (the "**Partnership Buyout**");
- insiders of SVT having executed a pooling agreement;
- SVT having not more than \$10,000 in outstanding liabilities on Closing (excluding costs related to the consummation of the Transaction) and Delta having positive working capital as of Closing; and
- other standard closing conditions, including there being no material adverse change in relation to the business of SVT or Delta, the representations and warranties of the parties in the remaining true and accurate of at the closing of the Transaction, and there being no material action, claim, demand, investigation or other proceeding in progress,

pending or threatened against SVT or Delta, which involve the reasonable likelihood of any judgment or liability against either party.

Each of SVT and Delta have agreed to pay a break fee in the event that: (a) there has been a breach or failure to perform any covenant or agreement of the LOI or the Formal Agreement that would result in the Transaction not being consummated; (b) either party abandons the Transaction for any reason other than failing to proceed as a result of its due diligence review; or (c) either party accepts or enters into an agreement with respect to transaction other than the Transaction.

Sponsor

The Transaction will be subject to the sponsorship requirements of the TSXV, unless a waiver or exemption from the sponsorship requirement is available. If required, a sponsor will be identified at a later date and will be announced in a subsequent news release.

Directors, Officers and Insiders

At the Closing, the board of directors of SVT will be comprised of four directors, one of which will be the nominee of SVT, three of which will be the nominees of Delta, in each case subject to the prior approval of Health Canada, if applicable. Once identified, information with respect to the proposed directors and officers will be included in a subsequent news release.

It is expected that John Arbuthnot and William Arbuthnot will each become directors and insiders of the resulting issuer upon completion of the Transaction.

Bill Arbuthnot has over 35 years experience in running his own businesses ranging from internet-technology, to production, automated systems, physical and web security, and process control protocols. In 2012, Mr. Arbuthnot left National Bank Financial to help his son found Delta 9 Bio-Tech Inc.

In 2009, while attending second year business classes, John Arbuthnot began working on a conceptual business plan which would ultimately become Delta 9 Bio-Tech Inc. While studying full time as a commerce and economics student at the Asper School of Business at the University of Manitoba, Mr. Arbuthnot worked at formalizing his plan, raising seed capital and in 2012 founded Delta 9 Bio-Tech Inc.

Trading in SVT Shares

Trading in the SVT Shares has been halted in compliance with the policies of the TSXV, and will remain halted pending review by the TSXV and satisfaction of the conditions of the TSXV for resumption of trading. It is likely that trading in the SVT Shares will not resume prior to Closing.

General

Further details about the proposed Transaction, the Concurrent Financing and the resulting issuer will be provided in the disclosure document to be prepared and filed in connection with

the Transaction. Investors are cautioned that, except as disclosed in such disclosure document, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

All of the information included in this news release with respect to Delta has been provided by management of Delta and has not been independently verified by SVT at this time.

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 management information circular or 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 SVT should be considered highly speculative.

The TSXV has in no way passed on the merits of the proposed Transaction and has neither approved nor disapproved the contents of this press release.

ON BEHALF OF THE BOARD OF DIRECTORS OF SVT CAPITAL CORP.

“Anthony Jackson”

Antony Jackson
Director

For further information, please contact Anthony Jackson by phone at (604) 782-4119 or by email at ajackson@bridgemark.com.

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.

Disclaimer for Forward-Looking Information

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the Transaction and Delta's future business plans. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Forward looking statements in this news release include statements relating to the Transaction; terms of the Transaction and the Concurrent Financing; Delta's intention to ♦. 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 the risk that the TSXV may not approve the Transaction; that the Transaction may not be completed for any other reason; or that factors may occur which impede or prevent Delta's future development plans. 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 SVT will obtain from them. Readers are urged to consider these factors carefully in evaluating the forward-looking statements contained in this news release and are cautioned

not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. These forward-looking statements are made as of the date hereof and SVT disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.