

DC ACQUISITION CORP. ANNOUNCES NEW QUALIFYING TRANSACTION WITH KIARO BRANDS INC.

Vancouver, British Columbia, May 12, 2020, DC Acquisition Corp. (TSXV: DCA.P) (the "**Company**") is pleased to provide the following update. The Company, on mutually agreeable terms, has agreed to terminate its previously announced letter of intent dated July 2019, with 1219014 B.C. Ltd. in respect to the development and commercialization of transdermal delivery system for dronabinol and other cannabinoids and combinations thereof, related to cancer treatments. The Company has now entered into an arms-length non-binding letter of intent (the "**LOI**") dated May 6, 2020 with Kiaro Brands Inc. ("**Kiaro**") to combine the businesses of the two companies. The LOI outlines the terms and conditions pursuant to which the Company and Kiaro will complete a transaction that will result in a reverse take-over of the Company by Kiaro (the "**Proposed Transaction**"). The Proposed Transaction will be an arm's length transaction, and, if completed, will constitute the Company's "Qualifying Transaction" (as such term is defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). Upon completion of the Proposed Transaction, the resulting issuer (the "**Resulting Issuer**") will carry on the business of Kiaro, and intends to list as a Tier 2 industrial issuer on the TSX Venture Exchange.

Proposed Transaction Summary

The Proposed Transaction is expected to be structured by way of a share exchange, merger, amalgamation, arrangement or other similar business combination as agreed to by the parties. As part of the Proposed Transaction, the shareholders of Kiaro will receive approximately \$26,000,000 in common shares in the capital of the Company in exchange for their shares of Kiaro, at a deemed price of \$0.105. The Proposed Transaction may be structured in any manner agreed to between the Company and Kiaro and the final structure is subject to the receipt of tax, corporate and securities law advice for both the Company and Kiaro. The parties anticipate completing the Proposed Transaction on or about June 30, 2020, or as otherwise agreed to by the parties.

Upon execution of the LOI, the Company agreed to provide Kiaro with an immediate interest bearing loan of \$25,000, and upon receipt of approval from the Exchange, an additional loan of \$200,000 on commercial terms, including being secured by a general security agreement and bearing interest at market rates. Both loans are intended to be immediately due and payable in the event that that the Proposed Transaction does not proceed.

The Proposed Transaction is subject to a number of conditions, including but not limited to, the parties successfully entering into a definitive agreement in respect of the Proposed Transaction, receipt of all necessary approvals, including the approval of the Exchange, and certain other closing conditions, including the completion of satisfactory due diligence by the Company.

Additional information regarding the Proposed Transaction will be set out in a filing statement or information circular (the "**Filing Statement**") which will be filed with the Exchange and posted on the Company's profile on SEDAR (www.sedar.com).

Kiaro Brands Inc.

Kiaro Brands Inc. is the resulting company of an amalgamation under the Business Corporations Act (British Columbia) of Aura Cannabis Inc. and Elora Capital Ltd. on September 9, 2019.

Kiaro Brands Inc. operates "Kiaro", an independent Canadian cannabis retailer based in Vancouver, BC as well as a wholesale subsidiary based in Saskatchewan. Kiaro currently operates 3 storefronts in British Columbia and 2 in Saskatchewan. It is currently developing another store in Vancouver. It has plans to open several new cannabis stores nationwide within the next year, subject to availability of both capital and regulatory approvals. Kiaro has established wholesale and online sales. Collectively Kiaro's leadership team

has a proven track record of growing retail brands across North America, with significant brick-and-mortar retail and online experience.

For more information, visit kiaro.com.

DC Acquisition Corp.

The Company was incorporated under the *Business Corporations Act* (British Columbia) on November 28, 2017 and is a Capital Pool Company (as defined in the policies of the Exchange) listed on the Exchange. The Company has no commercial operations and no assets other than cash.

Shareholder Approval

Since the Proposed Transaction is not a Non-Arm's Length Qualifying Transaction (as such term is defined in Policy 2.4 of the Exchange), the Company will not be required to obtain shareholder approval of the Proposed Transaction. In addition, the Proposed Transaction is not a "related party transaction" as such term is defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* and is not subject to Policy 5.9 of the Exchange. As a result, no meeting of the shareholders of the Company is required pursuant to corporate law, Policy 2.4 of the Exchange or securities laws.

Directors, Officers and Other Insiders of the Resulting Issuer

The directors and officers of the Resulting Issuer will be determined at a later date or upon completion of the Proposed Transaction and at which time a further news release will be issued in accordance with the policies of the Exchange.

Sponsorship

Sponsorship of a qualifying transaction of a Capital Pool Company is required by the Exchange unless exempt in accordance with the Exchange policies. The Company is currently reviewing the requirements for sponsorship and anticipates applying for an exemption from the sponsorship requirements pursuant to the Exchange policies. However, there is no assurance that the Company will obtain this exemption.

Trading in the Company Common Shares

Trading in the Company's common shares has been halted in compliance with the policies of the Exchange. Trading in the Company's common shares will remain halted pending the review of the Proposed Transaction by the Exchange and satisfaction of the conditions of the Exchange for resumption of trading. It is likely that trading in the Company's common shares will not resume prior to the closing of the Proposed Transaction.

Further Information

The Company will issue additional press releases in accordance with the policies of the Exchange providing further details in respect of the Proposed Transaction, the Private Placement, the officers, directors and insiders of the Resulting Issuer and other material information as it becomes available. For further information, please contact:

DC Acquisition Corp.

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Chief Executive Officer

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Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release does not constitute an offer of securities for sale in the United States. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended,

and such securities may not be offered or sold within the United States absent U.S. registration or an applicable exemption from U.S. registration requirements.

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to the Exchange acceptance and, if applicable pursuant to the Exchange requirements, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the Proposed Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Filing Statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed 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 Exchange has in no way passed upon the merits of the Proposed Transaction and has not approved or disapproved of the contents of this news release.

Cautionary Note Regarding Forward-Looking Information

This press release contains statements which constitute “forward-looking information” within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the Company and Kiaro with respect to future business activities and operating performance. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information regarding: (i) expectations regarding whether the Proposed Transaction will be consummated, including whether conditions to the consummation of the Proposed Transaction will be satisfied, or the timing for completing the Proposed Transaction, (ii) the timing for closing and pricing of the Private Placement, and (iii) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect the Company and Kiaro’s respective management’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although the Company and Kiaro believe that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability to consummate the Proposed Transaction; the ability to obtain requisite regulatory and other approvals and the satisfaction of other conditions to the consummation of the Proposed Transaction on the proposed terms and schedule; the potential impact of the announcement or consummation of the Proposed Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Proposed Transaction. This forward-looking information may be affected by risks and uncertainties in the business of the Company and Kiaro and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company and Kiaro have attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company and Kiaro do not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.