



Magen Ventures I Inc.

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**MAGEN AND GREY WOLF
ENTER INTO BUSINESS COMBINATION AGREEMENT
TO COMPLETE QUALIFYING TRANSACTION**

Toronto, Ontario – March 17, 2022 – Magen Ventures I Inc. (TSXV:MAGN.P) (“**Magen**”) and Grey Wolf Animal Health Inc. (“**Grey Wolf**”) are pleased to announce that, further to Magen’s news release of January 26, 2022, they have entered into a business combination agreement dated March 16, 2022 (the “**BCA**”), which outlines the terms and conditions pursuant to which Magen and Grey Wolf will complete a transaction that will result in a reverse take-over of Magen by Grey Wolf (the “**Proposed Transaction**”). The Proposed Transaction will be an arm’s length transaction, and, if completed, will constitute Magen’s “Qualifying Transaction” (as such term is defined in Policy 2.4 of the TSX Venture Exchange (the “**TSXV**”). Magen following the completion of the Proposed Transaction is referred to as the “**Resulting Issuer**”.

Grey Wolf Animal Health Inc.

Grey Wolf is a diversified animal health company founded by Dr. Ian Sandler, an entrepreneurial veterinarian, and led by an experienced pharmaceutical management team. Grey Wolf is a corporation existing under the *Business Corporations Act* (Ontario) and was amalgamated on December 31, 2020.

Grey Wolf is focused on bringing to market a broad portfolio of products that meet the unmet needs of veterinarians, clinics and pet parents across Canada. In the past three years, Grey Wolf has launched five new product portfolios and has augmented its strong organic revenue growth with two strategic acquisitions.

The animal health sector has historically been recession-resistant and has grown at a compound annual growth rate (CAGR) of 6.5% over the past 15 years.¹ Industry growth has accelerated in recent years as pets are increasingly viewed as members of the family with millennials choosing pets over children and surpassing baby-boomers as the largest demographic buying group. This increased ‘humanization’ of pets leads to increased spend both on health and wellness as well as therapeutics and other treatments.²

Grey Wolf markets products in the veterinary channel for use in companion animals (primarily dogs and cats) and equine. Grey Wolf’s revenue is derived primarily from three main product areas:

1) Pharmaceuticals – including species-specific, human off-label and custom formulated prescription products.

2) Nutraceuticals – low risk veterinary health products, including a novel, non-antibiotic product basket for treating gastro-intestinal upset, the number one cause of non-routine vet visits.

3) Consumables – including medical pet-shirts that replace the ‘cone of shame’ and an innovative, all-natural wound-care line that uses manuka honey in lieu of traditional antibiotic solutions.

¹ Adapted from: Statistics Canada. Tables 36-10-0124-01 and 36-10-0225-01

² American Pet Products Association

On September 1, 2021, Grey Wolf completed the acquisition of Trutina Pharmacy Inc. (“**Trutina**”), a highly profitable compounding pharmacy focused on the equine market. Proforma the acquisition of Trutina as at December 31, 2021, management of Grey Wolf expects Grey Wolf to have approximately \$20 million in annualized revenue and positive free cash flow.

The following table contains selected financial information in respect of Grey Wolf as at December 31, 2021, which includes four months of Trutina’s results.

	Year ended December 31, 2021 (unaudited)
Assets	\$33,027,126
Liabilities	\$31,217,367
Revenues	\$13,095,439
Net Profit (Losses)	(\$720,375)

As at December 31, 2021, Grey Wolf had \$4.3 million in cash, a 5-year, low-interest rate term loan with Canadian Western Bank for \$11.3 million and an undrawn line of credit. When combined with Magen’s cash (\$4.5 million as at September 30, 2021) and Grey Wolf’s existing cash flow, Grey Wolf will have a strong balance sheet to pursue its organic growth initiatives and potential strategic acquisitions. As a result, Grey Wolf does not intend to pursue a concurrent financing as part of the Proposed Transaction.

The audit of Grey Wolf’s financial statements for the year ended December 31, 2021 is not yet complete and the above financial information is therefore subject to change.

Magen Ventures I Inc.

Magen was incorporated under the *Business Corporations Act* (Ontario) on February 9, 2021 and is a Capital Pool Company (as defined in the policies of the TSXV) listed on the TSXV. Magen has no commercial operations and no assets other than cash.

Consolidation

Prior to the closing of the Proposed Transaction, to align the value of the Magen common shares (the “**Magen Shares**”) with the value per Grey Wolf Common Share (as defined below) at which the Proposed Transaction will be completed, it is anticipated that Magen will consolidate the Magen Shares on the basis of the Consolidation Ratio (as defined below) (the “**Consolidation**”). The “Consolidation Ratio” is equal to 1 post-Consolidation Magen Share for every 19.1667 pre-Consolidation Magen Share, or such other ratio mutually agreed between the parties. Assuming the above Consolidation Ratio, the Consolidation will result in an aggregate of approximately 3,130,429 post-Consolidation Magen Shares being outstanding based on there being 60,000,000 Magen Shares currently outstanding (and assuming no intervening exercise of options or warrants). The Consolidation will also result in an adjustment to the number of post-Consolidation Magen Shares issuable pursuant to outstanding options (of which there are now 6,000,000 outstanding) and warrants (of which there are now 3,200,000 outstanding), from a pre-Consolidation total of 9,200,000 Magen Shares issuable upon exercise thereof to a post-Consolidation total of (assuming the above Consolidation Ratio) approximately 479,999 Magen Shares issuable upon exercise.

Proposed Transaction Summary

The Proposed Transaction is structured as a three-cornered amalgamation, whereby a wholly-owned subsidiary of Magen formed for such purpose will amalgamate with Grey Wolf (the “**Amalgamation**”) to form a newly amalgamated company (“**Amalco**”). In consideration for the Proposed Transaction, holders of common shares of Grey Wolf (“**Grey Wolf Common Shares**”) will receive

and other securities of Grey Wolf will receive corresponding securities of the Resulting Issuer pursuant to the Amalgamation.

Upon completion of the Proposed Transaction, the Resulting Issuer will be the parent and sole shareholder of Amalco and thus will indirectly carry on the business of Grey Wolf. The current shareholders of Grey Wolf will become shareholders of the Resulting Issuer, as the new parent corporation, and the Magen shareholders will retain their equity in the Resulting Issuer. It is expected that approximately 25,900,000 post-Consolidation Magen Shares (“**Resulting Issuer Shares**”) will be issued to the shareholders of Grey Wolf at a deemed price of \$2.30 per Resulting Issuer Share. As a result, the Resulting Issuer is expected to have approximately 29,000,000 Resulting Issuer Shares outstanding immediately following the completion of the Proposed Transaction. Outstanding options and warrants of Grey Wolf will also be exchanged pursuant to the Amalgamation for replacement options and warrants of the Resulting Issuer (on substantially the same economic terms), which will be exercisable for an aggregate of 4,296,300 Resulting Issuer Shares.

In connection with the Proposed Transaction, the Resulting Issuer intends to change its name to “Grey Wolf Animal Health Corp.” or such other name as is acceptable to the regulators (the “**Name Change**”). Further, it is proposed that the officers and directors of Grey Wolf will replace the existing officers and directors of Magen. Biographical information regarding these individuals is provided below under the heading “*Officers and Directors*”.

Completion of the Proposed Transaction is subject to a number of other conditions, including obtaining all necessary board, shareholder and regulatory approvals, including TSXV approval.

Although the Proposed Transaction itself is not subject to approval by the shareholders of Magen under applicable TSXV policies or otherwise, in connection with the Proposed Transaction, Magen will convene a meeting of its shareholders for the purpose of approving, among other matters, the Consolidation, the Name Change and the election of the directors to replace the current directors of Magen immediately following the completion of the Proposed Transaction. Grey Wolf will convene a meeting of its shareholders for the purpose of approving the Amalgamation. The Proposed Transaction has been unanimously approved by the boards of directors of Grey Wolf and Magen and both boards of directors recommend that their respective shareholders vote in favor of the Proposed Transaction and related matters.

No finder’s fee or commission is payable in relation to the Proposed Transaction.

Officers and Directors

Subject to applicable shareholder and TSXV approval, it is anticipated that the officers and directors of the Resulting Issuer will be:

Angela Cechetto – Chief Executive Officer

Angela Cechetto is the Chief Executive Officer of Grey Wolf. Ms. Cechetto joined Grey Wolf in April 2017 as Vice President of Business & Corporate Development and was appointed President in May 2018. Ms. Cechetto has more than 15 years of experience in the pharmaceutical industry in Canada and in emerging markets such as South Africa and Latin America. Prior to Grey Wolf, Ms. Cechetto was an equity research associate at GMP Securities LP, where she covered Canadian companies in the specialty pharmaceutical, medical device, and cannabis industries. Prior to GMP, Ms. Cechetto held progressive roles on the business development team at Paladin Labs Inc. from 2008-2015 culminating as Director of Business Development. Ms. Cechetto holds a B.Sc. from McGill University, a M.Sc.E.E. from the University of New Brunswick and an MBA from the Ivey Business School.

Kevin Palmer – Chief Financial Officer

Kevin Palmer is the Chief Financial Officer of Grey Wolf. Mr. Palmer joined Grey Wolf in October 2020 as Vice President of Finance. He has more than 25 years of Canadian, United States and international experience and has spent the past 20 years working in pharmaceuticals, biotech, and medical device organizations such as Sprout Pharmaceuticals, St. Jude Medical and InterMune. Mr. Palmer has led teams in finance, operations, customer service, and human resources in several companies with success in business planning and analysis, effective financial control, strategic focus, system integrations and conversions, statutory and management reporting, treasury, and tax. A graduate of UofT's B.Comm. program, Mr. Palmer is a CPA, CA, and recently completed his MBA. Mr. Palmer volunteers with the CPA Canada's Financial Literacy program, has taught finance courses at the undergraduate and continuing education level, and is on the Board of Directors of two not-for-profit organizations.

Dr. Ian Sandler – Chief Veterinary Medical Officer and Director

Dr. Ian Sandler is the co-Founder of Grey Wolf. Dr. Sandler graduated from University of Guelph with a Doctor of Veterinary Medicine (DVM) in 1994 and began practicing small animal medicine in the United States. He returned to Canada and in 1999, along with three colleagues, founded the Ontario Veterinary Group, which grew to be one of the largest privately-owned veterinary hospital groups in Canada. In 2014, Associate Veterinary Clinics Ltd. acquired the Ontario Veterinary Group. Dr. Sandler is a well-respected animal health expert and is frequently quoted and interviewed. He served on the Animal Health Technologist / Veterinary Technician Accreditation Committee of the Canadian Veterinary Medical Association (“**CVMA**”) from 2009 to 2016 and now sits on the National Issues Committee of the CVMA. Dr. Sandler has practiced small animal medicine and surgery at the Rosedale Animal Hospital for over 25 years.

Shawn Aspden – Director

Shawn Aspden serves as the Chair of the Board of Directors of Grey Wolf. Mr. Aspden is a Principal at Bloom Burton & Co., a Toronto-based investment firm focused on companies operating in the healthcare sector. Mr. Aspden has worked alongside healthcare companies for over 25 years in an institutional sales capacity and has extensive experience in raising capital for both growth and established companies. Prior to joining Bloom Burton in 2016, Mr. Aspden served as Vice Chair, Head of North American Institutional Equity Sales at GMP Securities LP, where he was a member of the firm's Executive Committee and managed a top-ranked institutional sales team. Mr. Aspden began his career at a strategy consulting firm and moved into the investment business as an equity research associate. Mr. Aspden holds the Chartered Financial Analyst designation and is an HBA graduate from the Ivey Business School.

Rob Harris – Director

Mr. Harris has been a director of Grey Wolf since 2016 and is also the Chair of the board at Miravo Healthcare Inc. (TSX: MRV; OTCQX: MRVFF), a Canadian focused healthcare company with global reach and a diversified portfolio of commercial products. Mr. Harris was previously the co-founder, director and Chief Executive Officer of Tribute Pharmaceuticals Inc., a TSX-listed Canadian specialty pharmaceutical company acquired by Pozen in 2016. Prior to co-founding Tribute Pharmaceuticals, Mr. Harris was the President & Chief Executive Officer of Legacy Pharmaceuticals Inc. Mr. Harris also has previous experience at Biovail Corporation where as Vice President of Business Development, he was involved, led and successfully concluded numerous business development transactions, including the licensing of new chemical entities, the acquisition of mature products, the completion of co-promotion deals, distribution agreements, product development and reformulation transactions. Prior to Biovail, Mr. Harris worked in various senior commercial management positions during his 20-year tenure at Wyeth (Ayerst), including its animal health group, and has been involved in numerous product launches during his career.

It is also anticipated that two additional independent directors will join the board of the Resulting Issuer.

Sponsorship

The Proposed Transaction is subject to the sponsorship requirements of the TSXV, unless a waiver or exemption from this requirement can be obtained in accordance with the policies of the TSXV. Magen intends to apply for a waiver of the sponsorship requirement, however there is no assurance that a waiver from this requirement can or will be obtained.

Trading in Magen Shares

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

Non-Arm's Length Party Interest

The spouse of Jesse Kaplan, an officer and director of Magen, is the holder of certain convertible debt securities of Grey Wolf.

Grey Wolf is represented by DLA Piper (Canada) LLP. Dentons Canada LLP acts as legal counsel to Magen.

This news 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.

All information provided in this press release relating to Grey Wolf and the proposed officers and directors has been provided by management of Grey Wolf and has not been independently verified by management of Magen.

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 Magen and Grey Wolf 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) future annualized revenue, (iii) proposed directors and officers of the Resulting Issuer, (iv) the expected number of Resulting Issuer Shares upon completion of the Proposed Transaction, and (v) 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 Magen and Grey Wolf'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 Magen and Grey Wolf 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 Resulting Issuers. 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 shareholder 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; 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 Magen and Grey Wolf 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 Magen and Grey Wolf 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. Magen and Grey Wolf do not intend, and do not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

For further information, please contact:

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Completion of the Proposed 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 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 Magen should be considered highly speculative.

The TSXV 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.

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