

Rritual Superfoods Announces Closing of Bought Deal

written by Raj Shah | September 10, 2021

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Rritual Superfoods Inc. (“**Rritual**” or the “**Company**”) (RSF, RSF.WT) is pleased to announce announced that it has closed its previously announced “bought deal” public offering and raised total gross proceeds of \$4,000,000 (the “**Offering**”).

On August 24, 2021, the Company entered into an underwriting agreement for a public offering of units (“**Units**”) of the Company (the “**Offering**”) and on September 3, 2021, the Company obtained a receipt for its final prospectus (the “**Final Prospectus**”) filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario. The Offering was underwritten by Clarus Securities Inc. (the “**Underwriter**”). Each Unit consists of one common share of Rritual (a “**Common Share**”) and one-half Common Share purchase warrant. Each whole warrant (a “**Warrant**”) entitles the holder to purchase one Common Share of Rritual at a price of \$0.60 per Common Share until March 5, 2021, subject to an acceleration provision. Pursuant to the Offering, Rritual issued an aggregate of 8,000,000 Units at a price of \$0.50 per Unit, for total gross proceeds of \$4,000,000. The Company also granted an over-allotment option to the Underwriter to purchase an additional 1,200,000 Units at \$0.50 per Unit which may be exercised in whole or in part within 30 days of closing of the Offering.

The Warrants will be listed for trading on the Canadian Securities Exchange (the “**CSE**”) and will have identical terms to the currently listed Warrants trading under the ticker symbol

RSF.WT. In the event that the Common Shares trade on the CSE at a price of \$1.20 or greater per Common Share for a period of 10 consecutive trading days following the closing of the Offering, the Company may accelerate the expiry of the Warrants by giving notice to the holders thereof, by disseminating a news release advising of the acceleration of the expiry date of the Warrants and, in such case, the Warrants shall expire on the 31st day after the date of such notice. The Warrants are governed by a warrant indenture dated March 5, 2021, as amended by a supplemental warrant indenture dated September 10, 2021, between the Company and Odyssey Trust Company as warrant agent.

Two directors of the Company, Scott Eldridge and Warren Spence (the “**Participating Insiders**”), participated in the Offering. Scott Eldridge purchased 40,000 Units in the Offering at a price of \$0.50 per Unit and Warren Spence purchased 60,000 Units at a price of \$0.50 per Unit. Full commission was paid to the Underwriter in respect of the purchases of Units by the Participating Insiders. The Participating Insiders are each a “related party” of the Company within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Therefore, the issuance of the Units to the Participating Insiders is each a “related party transaction” within the meaning of MI 61-101. As the material change report relating to the closing of the Private Placement is being filed on SEDAR less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period is reasonable or necessary in the circumstances. In the view of the Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to complete the Offering in a timely manner. Other than the Participating Insiders, the Company is aware of no other participation by Insiders (as defined under the *Securities Act* (British Columbia)).

Clark Wilson LLP acted as legal counsel to Rritual and Borden Ladner Gervais LLP acted as legal counsel to the Underwriter.

No securities regulatory authority has either approved or disapproved the contents of this news release. This news release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale or any acceptance of an offer to buy these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The securities issued under the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account of benefit of, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or solicitation of an offer to buy any of these securities in any jurisdiction in which the offering or sale is not permitted.

About Rritual

Rritual Superfoods is the first award winning, premium brand in the emerging functional mushroom & adaptogenic superfood market. More than a functional mushroom company, Rritual is a Superfood Platform. At the forefront of innovation in the space, we have entered the market with plant-based elixirs, and continue to consistently expand our offering to meet and exceed our customer’s needs. As a company, we believe in the power of plant-based nourishment and the vital life force that adaptogens, superfoods, and mushrooms can offer our bodies. Our

products are made with mindfully-selected, organic functional mushrooms and adaptogenic herbs, traditionally consumed for their ability to support a healthy response to stress and help optimize mental, cognitive, digestive, and immune health. For more information, visit www.rritual.com.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: Certain information in this news release constitutes forward-looking statements under applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to, statements with respect to the expiry date and acceleration provisions for the Warrants. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; income tax and regulatory matters; the ability of Rritual to implement its business strategies; competition; currency and interest rate fluctuations and other risks. Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-

looking statements contained in this news release are expressly qualified by this cautionary statement.

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