

Ironhorse Oil & Gas Inc. and Pond Technologies Inc. Jointly Announce Proposed Business Combination and a Private Placement by Pond

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CALGARY, Aug. 14, 2017 /CNW/ - Ironhorse Oil & Gas Inc. ("**Ironhorse**") (TSXV:IOG) and Pond Technologies Inc. ("**Pond**") are pleased to announce that they have entered into an arms-length non-binding letter of intent dated August 14, 2017 pursuant to which Ironhorse and Pond propose to complete a business combination by way of take-over bid (the "**Proposed Transaction**"). Pursuant to the Proposed Transaction, Ironhorse will offer to purchase all of the common shares of Pond ("**Pond Shares**") in exchange for common shares of Ironhorse ("**Ironhorse Shares**") issued from treasury. Holders of Pond Shares will receive 6.9 Ironhorse Shares for each 1 Pond Share held resulting in the issuance of approximately 79,289,591 Ironhorse Shares at a deemed issued price of \$0.29 per Ironhorse Share for aggregate ascribed value of approximately \$23 million. The Proposed Transaction will constitute a reverse-takeover and change of business of Ironhorse pursuant to the policies of the TSX Venture Exchange (the "**TSXV**") and is subject to the acceptance of the TSXV and the approval of the holders of Ironhorse Shares.

Following the completion of the Proposed Transaction, the resulting issuer (the "**Resulting Issuer**") is expected to carry on the business of Pond in the carbon capture segment of the industrial sciences industry, which is described below.

As a condition to the completion of the Proposed Transaction, Pond will also complete a brokered private placement of subscription receipts (the "**Subscription Receipts**") on a commercially reasonable efforts agency basis for minimum aggregate gross proceeds of \$7,000,000 (the "**Financing**"). Net proceeds are expected to be used to fund the Resulting Issuer's program to commercialize its technology following completion of the Proposed Transaction and for general corporate purposes.

About Ironhorse

Ironhorse is a Calgary-based junior oil and natural gas production company trading on the TSXV under the symbol "IOG". Ironhorse owns a working interest in a producing oil and gas property in Alberta.

About Pond

Located in Markham, Ontario, and continued under the laws of the province of Ontario, Pond is a private company that has developed a proprietary system to transform carbon dioxide into bio-products. Pond works with the cement, steel, oil and gas and power generation industries to reduce emissions. Pond has three pilot installations in Ontario and has granted and pending patents in the USA, Europe, China and Taiwan and patents pending in other jurisdictions including Canada.

Pond's platform technology also produces algae superfoods for the nutraceutical and food additive markets. Pond's productive system can grow many species of algae, including strains that produce anti-oxidants, omega-3 fatty acids, and protein for human and animal consumption.

The Proposed Transaction

Pursuant to the Proposed Transaction:

- (i) subject to the terms of the definitive agreement (the "**Definitive Agreement**") to be negotiated and entered into between Ironhorse and Pond, Ironhorse will make a take-over bid to the holders of Pond Shares and each holder who tenders his, hers or its Pond Shares to such take-over bid shall receive 6.9 Ironhorse Shares for each Pond Share held by such shareholder;
- (ii) Ironhorse shall acquire all of the issued and outstanding Pond Shares; and
- (iii) Pond will continue as a wholly-owned subsidiary of Ironhorse.

Completion of the Proposed Transaction is subject to the completion of a number of conditions, including, but not limited to: (i) completion of the Financing for minimum gross proceeds of \$7 million; (ii) negotiation and execution of the Definitive Agreement; (iii) all conditions under the Definitive Agreement having been satisfied or waived; (iv) receipt of Exchange conditional approval for the Proposed Transaction and the issuance of Ironhorse Shares pursuant to the Proposed Transaction; (v) receipt of all required shareholder, regulatory, governmental and third party approvals, including the approval of the holders of Ironhorse Shares; and (vi) deposit of all of the Pond Shares to the take-over bid made by Ironhorse.

The Ironhorse Shares will be halted until the Proposed Transaction has closed.

Additional Information

Additional information regarding Ironhorse is available on SEDAR and Ironhorse's website at www.ihorse.ca.

Additional information regarding the Proposed Transaction, the Financing and Pond, including the proposed management team and board of directors of the Resulting Issuer, will be made publicly available by Ironhorse and Pond in due course.

Pond will apply to the TSXV for an exemption from the sponsorship requirements in connection with the Pond Acquisition. There is no assurance that such exemption will be granted.

Reader Advisory

Completion of the Proposed Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance. 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 management information circular or 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 Ironhorse should be considered highly speculative.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Proposed Transaction and has neither approved nor disapproved of the contents of this press 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.

Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning the Proposed Transaction, the Financing, the expected business of the Resulting Issuer, the negotiation and execution of the Definitive Agreement and the timing thereof and the application to the TSXV in respect of the Proposed Transaction. The forward-looking statements and information are based on certain key expectations and assumptions made by Ironhorse, including expectations and assumptions concerning Ironhorse, Pond, the Resulting Issuer, the Financing and the Proposed Transaction, the negotiation of the Financing on satisfactory terms, the timely receipt of all required securityholder, TSXV and regulatory approvals and the satisfaction of other closing conditions in accordance with the terms of the Definitive Agreement. Although Ironhorse believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Ironhorse can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties, include, but are not limited to, the results of the due diligence review on either Ironhorse or Pond by the other are less than satisfactory, the failure to complete the Financing on satisfactory terms or the parties are unable to obtain the required TSXV and shareholder approvals. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Ironhorse undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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For further information: Larry J. Parks, President and CEO, Ironhorse Oil & Gas Inc., (403) 237-9600; Steve Martin, Chief Executive Officer, Pond Technologies Inc., (416) 287-3835

CO: Ironhorse Oil & Gas Inc.

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