

**NEWMAC RESOURCES INC.**

**#203 - 2121 Kingsway**

**Vancouver, B.C.**

**V5N 2T4**

**www.newmacresources.com**

**NEWMAC RESOURCES SIGNS LETTER OF INTENT FOR REVERSE TAKE-OVER  
OF SIGNALCHEM LIFESCIENCES CORPORATION**

**May 20, 2021.** Newmac Resources Inc. (“Newmac” or the “Company”) (TSX-V: NER) is pleased to announce that it has entered into a letter of intent (the “LOI”) with SignalChem Lifesciences Corporation (“SignalChem”) dated May 11, 2021, setting out the terms of acquisition (the “Transaction”) of SignalChem by the Company. Pursuant to the terms of the Transaction, the Company will acquire 100% of the issued and outstanding common shares of SignalChem. The Transaction will constitute both a reverse-takeover and a change of business for the Company.

- a) SignalChem is a private biotech and drug research and development company located in Richmond, British Columbia. SignalChem was incorporated in 2004 with its initial focus on producing kinase-related products to facilitate biomedical research and drug discovery efforts. This division currently focuses on the research, development and production of innovative and high-quality human recombinant cell signaling products. Throughout the years, SignalChem has capitalized on its core expertise in cellular signaling, molecular biology and protein biochemistry to generate more than 2,000 functional protein products covering >90% kinase targets of the entire human kinome and disease-related mutant kinases, epigenetic enzymes, ubiquitinating enzymes and other signaling proteins.

SignalChem now has four (4) wholly-owned subsidiary corporations:

- i. SignalChem Pharmaceuticals Corp., which is involved in drug discovery, including the AXL inhibitor drug program which soon will enter Phase 2 clinical trial in US/Canada;
- ii. SignalChem Biotech Inc., which is involved in bioreagents business;
- iii. SignalChem Diagtech Corp., which is involved in In Vitro Diagnostic (IVD) products; and
- iv. SignalChem Plantech Corp., which is involved in plant biosynthesis.

SignalChem Pharmaceuticals Corp. was established in 2012. It is a multi-platform and clinical-stage drug discovery and development company focusing on development of next generation of novel, small molecule kinase inhibitors as targeted therapy for the treatment of cancer. Its experiences and expertise in the kinase biology and drug discovery and development allow it to deliver novel therapies against new and untapped kinase targets with a greater likelihood of success and better outcomes for patients. Currently, SLC-391, an inhibitor of the receptor tyrosine kinase AXL, is under phase I clinical trials to evaluate its safety and tolerability in subjects with solid tumours in multi-cancer centres in Canada and the dose expansion phase is anticipated to be completed by Q4/2021.

SignalChem Diagtech Corp. and SignalChem Plantech Corp., businesses were established in 2018 and 2019, respectively, to capture rapid growth opportunities and fully utilize

SignalChem's deep knowledge and expertise in signaling enzymes, functional proteins and understanding of metabolic pathways in plants to produce the medicinally important secondary metabolites.

According to SignalChem's 2019 audited financial statements, it had total assets of \$5.7 million, total liabilities of \$4.2 million and shareholders' equity of \$1.5 million. It generated total revenues of \$5.8 million in 2019 with a gross profit of \$5.4 million and net loss of \$1.5 million after all expenses including drug discovery R&D expenditures. SignalChem's 2020 financial statements are currently being audited.

- b) The Transaction is at arms-length to the Company.
- c) The Transaction is subject to certain conditions including approval by both the TSX Venture Exchange (the "**Exchange**") and the Company's common share shareholders.
- d) In conjunction with the closing of the Transaction, Newmac will change its name to "SignalChem Lifesciences Corporation". The Resulting Issuer will be an Industrial/Technology/Life Sciences issuer under the policies of the Exchange.
- e) Concurrent with the completion of the Transaction, the board of directors of Newmac will be reconstituted and will be comprised of up to seven directors. The following individuals will be appointed as directors and/or officers of the Resulting Issuer. The Company will continue to recruit qualified professionals to strengthen the board and management team as it makes progress toward the completion of the Transaction.

Jun Yan – CEO & Director

Mr. Yan is founder, Chairman & President of SignalChem. He has over 20 years of experience specializing in cell signal transduction and cancer biology. He has expertise in high throughput screening against validated enzyme targets including protein kinases. Prior to co-founding SignalChem Pharmaceuticals Inc. in 2004, Mr. Yan held senior research positions at Kinetek Pharmaceuticals Inc. and QLT Inc., where he was playing leading roles in novel drug target validation and pipeline development of kinase inhibitors. With his leadership, Jun has built SignalChem Pharmaceuticals Inc into a very profitable business with higher than 20% annual increase in revenue which has been a leading supplier of cell signaling bioreagents for drug discovery and biomedical research. In 2010, Mr. Yan co-founded MetaSignal Therapeutics Inc., a company focusing on developing and commercializing anti-cancer drugs targeting CAIX, a well-known cancer related enzyme. Mr. Yan brings to SLC expertise in kinase biology and has been the driving force of the SLC's kinase-focused drug discovery platform.

Gong (Michael) Chen – Chief Financial Officer

Mr. Chen has more than 25 years of experience in finance management, mergers & acquisitions, financing and business development in a cross-culture environment. He is currently the managing director of DoubleOcean Financial Group, a financial advisory firm that facilitates the cross-border investments between North America and China. Mr. Chen has extensive experiences with public companies listed on TSX and Hong Kong Stock Exchange in the capacity of director of board and/or CFO, including pharmaceutical companies such as Wex Pharmaceuticals and Polo Biology Group, as well as mining companies such as Spur Ventures and Commander Resources and

financial services company G-Resources Group Ltd. (HKSE: 1051). He served as VP Finance of a mining company with investments of \$700 million in Yukon between 2012 and 2014. He currently also sits on the board of Fair Haven Home Society, a non profit organization. Prior to moving to Canada, Mr. Chen worked in various management positions for eight years at Honeywell International and United Technologies in the United States, two Fortune 500 companies. Mr. Chen received his Bachelor's degree in International Finance from Peking University, China and his Master's in Business Administration from the University of Arizona, USA. He is a Certified Public Accountant in the United States.

Dr. Zaihui Zhang – Chief Scientific Officer

Dr. Zhang is a co-founder of Signalchem. He has over 25 years of experience in the development of novel targeted therapies. He has successfully led a wide range of therapeutic programs across different disease areas and has experience working with different classes of biological targets including protein kinases, metallo-enzymes, sodium channels, and transporters. Dr. Zhang has led several therapeutic programs that have been successfully acquired by or partnered with top tier multinational pharmaceutical companies and biotech companies during his tenures at Xenon Pharmaceuticals Inc. and Kinetek Pharmaceuticals Inc.. He has played pivotal roles in advancing four small molecules from the discovery stage to the clinical stage. He is a co-author of more than 30 scientific publications and is an inventor/co-inventor of more than 80 patents and patent applications. He brings to SLC expertise in all stages of drug discovery including hit-to-lead, lead optimization, preclinical development, project management and leadership, and intellectual property. Dr. Zhang received his Ph.D. in chemistry from the University of British Columbia.

Ka Ho (Jeff) Wu – Director

Mr. Wu is a serial entrepreneur of multiple fast-growing tech startups based in China that has successfully raised millions in venture capital. Wu is a proven manager and engineer passionate about leveraging AI and computing to accelerate the progress of drug discovery and biotech. Mr. Wu graduated from University of Toronto with a BA in computer science.

- f) As at the date hereof, the parties have not determined who will comprise management of the Resulting Issuer. As conditions to the Closing, each of Mr. Jun Yan and Mr. Zaihui Zhang shall have executed employment or consulting agreements with the Resulting Issuer, or any of its subsidiaries, for a minimum term of five years.
- g) The parties intend the Transaction to be structured as a share exchange transaction. SignalChem shareholders will be asked to exchange their shares in SignalChem for common shares in the capital of the Company. The precise exchange ratio (the “**Exchange Ratio**”) will be determined by the parties following receipt of financial advice and a review of the parties’ respective capital structures and completion of due diligence. Such Exchange Ratio will be determined based on a mutually agreed valuation of Newmac and SignalChem.

As at the date of the LOI, SignalChem has 33,959,751 common shares issued and outstanding, and 2,623,000 incentive stock options granted. The SignalChem Options

shall all vest prior to closing (the “**Closing**”) of the Transaction shall either be exercised or cancelled prior to Closing. In addition, SignalChem may issue common shares in payment of a finder’s fee in connection with the Transaction.

- h) Concurrent with Closing, the Company proposes to undertake a private placement (the “**Financing**”) of its securities to raise \$10,000,000 (ten million dollars). The proceeds from the Financing will be used by the resulting issuer to develop its business.
- i) Concurrent with Closing, Newmac shall settle all amounts due and owing to Hanxin Wu, President, CEO, director and Control Person of the Company, and all other related parties to Newmac through the issuance of common shares (the “**Newmac Settlement Shares**”) in the capital of Newmac.
- j) Sponsorship for the Transaction may be required unless an exemption from the sponsorship requirement is available. Newmac shall apply to the Exchange for an exemption from the sponsorship requirement.
- k) *Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested 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 [insert name of Issuer] should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

Respectfully submitted

ON BEHALF OF THE BOARD

*“Han Xin (Harrison) Wu”*

Han Xin (Harrison) Wu

CEO

For further information, please contact:

Contact Name: Valent Chan, CFO

Telephone Number: 778-288-3252

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