



For Immediate Release

October 30, 2015

GENOVATION CAPITAL ENTERS INTO LETTER OF INTENT WITH MKHS INVESTOR LLC

Vancouver, B.C., October 30, 2015 – Genovation Capital Corp. (CSE: GEC) (the “Company” or “Genovation Capital”) announced today that it has entered into a non-binding letter of intent with MKHS Investor LLC. (“MKHS”) which outlines the general terms and conditions of a proposed transaction pursuant to which Genovation Capital proposes to acquire all of the issued and outstanding securities of MKHS in exchange for securities of Genovation Capital (the “Transaction”). The LOI was negotiated at arm’s length and is effective as of October 30, 2015.

The Transaction, if completed, will constitute a “Fundamental Change” for Genovation Capital, as defined in Canadian Securities Exchange (“CSE”) policies. A Fundamental Change is a major acquisition accompanied by a change of control, whereby the Transaction results in a change of control, commonly referred to as a “reverse take-over”.

MKHS is a fully licensed Arizona-based marijuana cultivation and medicinal dispensary business. MKHS operates a 11,000 sf warehouse cultivation, commercial kitchen and extraction facility, and a separate 3,000 sf automated greenhouse located on 9.5 acres, zoned for expansion to 100,000 sf in Arizona. The company supplies medical marijuana pursuant to the Arizona Medical Marijuana Act, operates two state-licensed “healing center” dispensaries and distributes its own in-house prepared, branded line of edibles, concentrates and extracts.

The transaction terms outlined in the LOI are non-binding on the parties and the LOI is expected to be superseded by a definitive agreement (the “Definitive Agreement”) to be signed between the parties. The Transaction is subject to regulatory approval, including the approval of the CSE and standard closing conditions, including the approval of the Definitive Agreement by the directors of each of Genovation Capital and MKHS and completion of due diligence investigations to the satisfaction of each of Genovation Capital and MKHS, as well as the conditions described below. The legal structure for the Transaction will be determined after the parties have considered all applicable tax, securities law, and accounting efficiencies.

The Proposed Transaction

In order to accommodate the transaction, the Company will consolidate its share capital on a one-for-three basis, and complete a Canadian dollar equivalent non-interest-bearing convertible loan financing in the amount of US\$400,000 (CAD\$520,000), convertible at a post-consolidation price of \$0.12 per share.

Following the share consolidation and proposed loan financing conversion, but before the Transaction, Genovation Capital will have approximately 10,406,545 common shares outstanding, issued options to acquire an aggregate of 150,000 common shares at an exercise price of \$3.00 per common share and 291,667 common shares at an exercise price of \$1.00, and 944,444 warrants to acquire 944,444 common shares at an exercise price of \$0.75.

It is expected that Genovation Capital will issue approximately 36,475,000 post-consolidated Genovation Capital common shares in exchange for all of the issued and outstanding shares of MKHS, which will be held under a three-year escrow agreement. Based on the foregoing, it is expected that the current holders of Genovation Capital common shares will hold approximately 22.2% of the outstanding common shares of Genovation Capital post-closing, with shareholders of MKHS holding the balance of approximately 77.8%.

Conditions to Transaction

Completion of the Transaction is subject to a number of conditions, including but not limited to acceptance by the CSE and, if applicable pursuant to CSE requirements, majority of the minority 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. Since the Transaction is not a non-arm's length transaction, at this point Genovation Capital does not anticipate having to obtain shareholder approval for the Transaction but this remains subject to CSE confirmation.

Other conditions to completion of the Transaction include:

- Negotiation and execution of a Definitive Agreement in respect of the Transaction.
- Completion of a private placement in at least such minimum amount as may be required to meet CSE minimum listing requirements, if any.
- Preparation and filing of a filing statement outlining the definitive terms of the Transaction in accordance with the rules of the CSE.
- Receipt of all director, shareholder and requisite regulatory approvals relating to the Transaction, including, without limitation, CSE approval.

Further Information

Further details about the proposed transaction and the combined entity will be provided in a comprehensive press release when the parties enter into a Definitive Agreement and in the filing statement to be prepared and filed in respect of the Transaction.

Investors are cautioned that, except as disclosed in the 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 Genovation Capital should be considered highly speculative.

The Canadian Securities Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Genovation Capital will engage a sponsor in connection with the Transaction if required in accordance with the requirements of the CSE.

Forward-Looking Information

This press release contains forward-looking information based on current expectations. Statements about the closing of the Transaction, expected terms of the Transaction, the number of securities of Genovation Capital that may be issued in connection with the Transaction, the ownership ratio of Genovation Capital post-closing, the requirement to hold shareholder approval and the parties' ability to satisfy closing conditions and receive necessary approvals are all forward-looking information. These statements should

not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Transaction will occur or that, if the Transaction does occur, it will be completed on the terms described above. The terms described above are not binding unless and until a Definitive Agreement is signed. Genovation Capital assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

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

About Genovation Capital Corp.

The Company has been actively seeking business opportunities that offer near term cash flow potential as a means to create shareholder value. We act as a public company incubator, applying human and financial resources and capital to engineer and structure an appropriate "going public" process. The Company divested substantially all its business interests in March 2015 via a Plan of Arrangement, creating three stand-alone "Reporting Issuers" through the distribution of their shares to Company shareholders. The Company continues to hold a minority interest in a Malaysian-based operation providing onshore and offshore oilfield services and inspection and asset integrity management solutions.

Further information is available on the Company website at <http://www.genovationcapital.ca/>

ON BEHALF OF GENOVATION CAPITAL CORP.

(signed) "Robert van Santer"
Chief Executive Officer

For further information, please contact:

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