



ThreeD Capital Announces Steps to Unlock Value for All Shareholders of Birchtree Investments

- *ThreeD Capital recommends Birchtree shareholders vote “withhold” on all management nominees*
- *ThreeD to requisition a shareholder meeting to reconstitute the Board*
- *Shareholders with questions should contact Laurel Hill at 1-877-452-7184 (416-304-0211 outside North America) or email assistance@laurelhill.com*

TORONTO, April 24, 2024 (GLOBE NEWSWIRE) — ThreeD Capital Inc. (“**ThreeD**” or the “**Company**”) (CSE:IDK / OTCQX:IDKFF), a Canadian-based venture capital firm focused on opportunistic investments in companies in the junior resources and disruptive technologies sectors, announces today its intention to take active steps to unlock value for all shareholders of Birchtree Investments Ltd. (“**Birchtree**”) (CSE:BRCH) including requisitioning a meeting of shareholders of Birchtree to replace its current board of directors (“**Board**”), together with other steps as further described below.

Significant Percentage of Birchtree Shareholders Support Board Change

It has come to the attention of ThreeD, which holds 12,550,000 common shares of Birchtree (“**Birchtree Shares**”) (representing approximately 15% of the issued and outstanding Birchtree Shares), that its concerns are shared by several other shareholders holding a significant percentage of the outstanding Birchtree Shares (collectively with ThreeD, the “**Concerned Shareholders**”).

Lack of Transparency and Destruction of Shareholder Value

The Concerned Shareholders are dissatisfied with the overall lack of transparency and poor corporate governance exhibited by the current leadership of Birchtree, which they believe have directly contributed to recent shareholder dilution and significant loss in the value of the Birchtree Shares.

Value Destroying “Share Swap” Transaction in a Private Company

Most recently, Birchtree announced the closing of a “share swap” with Valkyrie Specialty Corporation (“**Valkyrie**”). As consideration for the “share swap”, Birchtree made a cash payment of Cdn\$499,500 and issued 5,000,000 Birchtree Shares representing approximately 6% of the issued and outstanding Birchtree Shares. Valkyrie is a private company which is not listed on any

exchange or trading market, and Birchtree has failed to disclose any relevant details of its valuation of Valkyrie to support this significant consideration paid. Furthermore, this "swap" was undertaken on an unusually rushed basis without adequate time for appropriate scrutiny by shareholders and regulators, with the agreement being signed on Saturday, March 23; announced on Sunday, March 24; and an attempt to close on Good Friday, March 29, 2024. ThreeD submitted a formal complaint to the Canadian Securities Exchange concerning the absence of adequate valuation for this highly dilutive transaction and requesting time for proper analysis, however notwithstanding its efforts, Birchtree announced the closing of the Valkyrie "swap" on April 2, 2024. **This transaction has destroyed significant shareholder value in Birchtree, not only as a result of the large cash payment and significant dilution to existing shareholders, but also due to the approximate 60% decrease in the value of the Birchtree Shares following the announcement,** which fell from Cdn\$0.10 on April 1, 2024 to Cdn\$0.04 as of the date of this press release.

Governance Concerns

In addition, the Concerned Shareholders have raised questions regarding Birchtree's governance practices. These include:

- X Potential conflicts of interest on the part of Birchtree's management including in connection with Vitali Savitski, the Chief Executive Officer of Birchtree, also acting an executive officer of American Aires Inc. which has engaged in multiple transactions with Birchtree;
- X Certain indebtedness of Birchtree which remains unserviced;
- X The failure of management to hold any significant shareholdings in Birchtree as a result of which its interests are not aligned with those of shareholders; and
- X The failure of Birchtree to hold an annual meeting of shareholders within the time prescribed by applicable corporate law.

Furthermore, the Concerned Shareholders have reviewed evidence suggesting that Birchtree has previously taken instruction from a third party who is neither an officer nor a director of the company, leading the Concerned Shareholders to question who is actually acting as the "mind and management" of Birchtree.

These concerns relating to poor governance and declining shareholder value are disappointing to the Concerned Shareholders given the quality of Birchtree's assets.

Lack of Adequate Response

ThreeD has made efforts to discuss its concerns with Birchtree, however its concerns were summarily dismissed without any corrective action being taken, other than the calling of the upcoming annual and special shareholder meeting of Birchtree scheduled to be held on May 7, 2024 (the "**May 7 Meeting**"). Although ThreeD is pleased to see its efforts have led to the calling of the May 7 Meeting, the same individuals whose actions have given rise to the corporate governance concerns of the Concerned Shareholders have again been nominated for election to the Board at the May 7 Meeting.

At the May 7 Meeting, shareholders are also being requested to approve a self-serving, expansive and, in some respects, limitless award plan (the "**Management Reward Plan**") allowing for grants to current management and directors of Birchtree of share and cash awards, cashless option exercises as well as other provisions for option, RSU and other phantom award grants. Accordingly, the Board and management of Birchtree continues to enjoy the benefits of their entrenched position while shareholders have not realized the true potential of their investment.

ThreeD believes that the value of Birchtree can be unlocked, and in order to achieve this goal it will be necessary to change the Board of Birchtree to one with strong capital markets and transactional experience, and proven leadership.

Brighter Direction for All Shareholders under Experienced New Board

ThreeD proposes to requisition a meeting of shareholders of Birchtree following the May 7 Meeting in order to reconstitute the Board of Birchtree with four new, highly qualified nominees with significant public company experience and the ability to maximize the value of Birchtree's investments. Further details of the requisitioned shareholders meeting and the nominees proposed by ThreeD will be announced in due course. As of the date of this news release, and for the purposes of the May 7 Meeting, ThreeD is not nominating or proposing to nominate any individual for election to the Board of Birchtree.

Withhold Vote

In the interim period prior to the meeting to be requisitioned by ThreeD, it is imperative that shareholders of Birchtree send a strong message to the current Board and minimize management's ability to further diminish shareholder value by voting **WITHHOLD** on **ALL** management nominees (Vitali Savitski, James Greig, Andrew Lindaon and Ivan Riabov) and **AGAINST** the Management Reward Plan.

Time is of the essence. In order to ensure your vote is counted at the May 7 Meeting, please ensure that your form of proxy or voting instruction form is received well in advance of the proxy voting deadline of **10:00 a.m. (Eastern time) on May 2, 2024.**

Even if you have already voted in respect of the May 7 Meeting, you have every right to change your vote. A later-dated proxy or voting instruction form automatically revokes any and all previously submitted forms of proxy or voting instruction forms.

Other Steps

In addition to requisitioning a meeting of the shareholders of Birchtree to replace the Board, the Concerned Shareholders are also reviewing and considering all other available options, including without limitation, the commencement of an oppression action to preserve shareholder value. Further details will be announced in due course.

Shareholder Questions?

ThreeD has retained the services of Laurel Hill Advisory Group to respond to Birchtree shareholders with questions and to assist with voting. Shareholders with questions should contact Laurel Hill Advisory Group at:

Laurel Hill Advisory Group

North American Toll Free: 1-877-452-7184 (416-304-0211 outside North America)

Email: assistance@laurelhill.com.

About ThreeD

ThreeD is a publicly-traded Canadian-based venture capital firm focused on opportunistic investments in companies in the junior resources and disruptive technologies sectors. ThreeD's investment strategy is to invest in multiple private and public companies across a variety of sectors globally. ThreeD seeks to invest in early stage, promising companies where it may be the lead investor and can additionally provide investees with advisory services and access to the Company's ecosystem.

Further Information

ThreeD has retained Fogler Rubinoff LLP as its legal counsel and Laurel Hill Advisory Group as its advisory firm. **ThreeD is providing the following additional disclosure:**

- **the name and address of the reporting issuer to which this solicitation relates is Birchtree Investments Ltd., 1133 Melville Street, Suite 2700, Vancouver, British Columbia, V6E 4E5, Canada;**
- **persons giving their proxies have the power to revoke their proxies in accordance with the Articles of Birchtree Investments Ltd. and the provisions of the *Business Corporations Act* (British Columbia);**
- **the solicitation of proxies to withhold votes against management nominees of Birchtree is being made by and on behalf of ThreeD;**
- **the solicitation of proxies to withhold votes against management nominees of Birchtree is being made by public broadcast (news release), and responses thereto will be by mail, electronically, personally or by telephone by representatives of Laurel Hill Advisory Group at the contact information provided above, or directors, officers and regular employees of ThreeD;**
- **ThreeD will bear all costs of this solicitation, anticipated to be up to approximately Cdn\$25,000; and**
- **a copy of this news release has been filed on SEDAR +.**

Forward-Looking Statements

Certain statements contained in this press release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to ThreeD, the intentions of ThreeD, and the success of ThreeD in bringing about positive change to the leadership and potential of Birchtree, are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect ThreeD's current views and intentions with respect to future events including the requisitioning of a shareholders meeting of Birchtree and the proposed nominees to stand for election thereat, the potential of an oppression action against Birchtree, potential costs of solicitation of proxies, and ThreeD's other views and intentions with respect to current information available to ThreeD, and are subject to certain risks, uncertainties and assumptions. Material factors or assumptions were applied in providing forward-looking information. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. Should any factor affect Birchtree in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, ThreeD does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and ThreeD undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.

The Canadian Securities Exchange has neither approved nor disapproved the contents of this news release and accepts no responsibility for the adequacy or accuracy hereof.