

NORTH GROUP FINANCE LIMITED

PRESS RELEASE

NORTH GROUP AND PEEKABOO BEANS INC. ANNOUNCE ENTRY INTO DEFINITIVE AGREEMENT FOR PROPOSED BUSINESS COMBINATION

June 2, 2016 – Vancouver, British Columbia: North Group Finance Limited (the “**Company**” or “**North Group**”) (TSX-V: **NOR**) is pleased to announce that it has entered into a definitive amalgamation agreement with Peekaboo Beans Inc. (“**Peekaboo Beans**”) and Peekaboo Beans (Canada) Inc., a wholly-owned subsidiary of North Group (“**Subco**”), dated effective May 30, 2016 (the “**Amalgamation Agreement**”) to acquire all of the outstanding shares of Peekaboo Beans (the “**Transaction**”). Pursuant to the Amalgamation Agreement, Subco has agreed to amalgamate with Peekaboo Beans, with the amalgamated company becoming a wholly-owned subsidiary of North Group, and all outstanding common shares of Peekaboo Beans (the “**Peekaboo Shares**”) will be exchanged for common shares of North Group (the “**North Group Shares**”) on a one-for-one basis.

In connection with the Transaction, North Group intends to effect a consolidation of the outstanding North Group Shares on or before the closing of the Transaction at a ratio of one (1) post-consolidation North Group Share for every three (3) pre-consolidation North Group Shares. Presently, North Group has 2,935,175 issued and outstanding North Group Shares. Accordingly, the total number of North Group Shares issued and outstanding following the consolidation is expected to be 978,392. North Group is expected to issue an aggregate of 7,188,346 North Group Shares to the holders of Peekaboo Shares (the “**Peekaboo Shareholders**”), post-consolidation, upon closing of the Transaction, assuming the completion of the maximum amount of the Concurrent Financing, defined below. The Transaction is arm's length and shall constitute a Reverse Takeover of North Group under the policies of the TSX Venture Exchange (the “**Exchange**”). The name of the resulting issuer will be “Peekaboo Beans Inc.” and it will be classified as an “apparel” company.

Peekaboo Beans intends to complete a concurrent financing (the “**Concurrent Financing**”) in connection with the Transaction. It is intended that the Concurrent Financing will consist of the issuance of up to 2,400,000 units (each, a “**Unit**”). Each Unit will be issued at a price of \$1.05 per Unit and will be comprised of one Peekaboo Share and one warrant to purchase one Peekaboo Share (the “**Peekaboo Warrants**”) at a price of \$1.50 per Peekaboo Share for a period of two years following the date of issuance, subject to acceleration in the event that the closing sales price of the underlying common shares as quoted on any stock exchange, quotation system or market on which such shares may become listed is \$1.75 or higher for any ten consecutive trading days. All Peekaboo Warrants issued in connection with the Concurrent Financing or otherwise outstanding shall be exchanged for warrants to purchase North Group Shares (“**North Group Warrants**”) on a one-for-one basis, with characteristics substantially similar to the Peekaboo Warrants, upon closing of the Transaction. In the event that the Transaction has not been closed by a date to be determined by the parties, the proceeds from the sale of the Units will be returned to the subscribers. The aggregate gross proceeds from the Concurrent Financing of up to \$2,520,000 are intended to be used to fund the production-to-payment cycle associated with direct-sales, to invest in training and recruitment for Canadian expansion and for working capital and general corporate purposes of the resulting issuer.

To-date, Peekaboo Beans independent sales representatives, or “**Stylists**”, and employees have subscribed for approximately \$680,000 in Units pursuant to the Concurrent Financing, and no fees or commissions were paid.

The Transaction is subject to the satisfaction or waiver of the conditions set out in the Amalgamation Agreement, including, among others, the approval of the Exchange and the approval of North Group Shareholders and Peekaboo Shareholders. A detailed description of the Transaction will be included in a Filing Statement to be prepared in accordance with the requirements of the Exchange and which will be mailed to shareholders of North Group. Certain matters relating to the Transaction will be presented for approval of shareholders of North Group at a meeting to be held on June 30, 2016, as described in a management information circular of North Group which is being mailed to shareholders on or about June 2, 2016 and which will be available on North Group's profile on SEDAR at www.sedar.com. A copy of the Amalgamation Agreement will be filed under North Group's profile on SEDAR. Trading in the North Group Shares will remain halted pending further filings with the Exchange.

North Group will be seeking a waiver of the sponsorship requirement from the Exchange.

North Group was incorporated under the laws of British Columbia in 2005 and its primary business operations include investments and merchant banking.

Peekaboo Beans Inc.

Founded in 2006 by Mrs. Traci Costa, Peekaboo Beans is a children's lifestyle apparel brand that creates high-quality, ethically manufactured children playwear with the mission to empower "free play" in children, for their healthy growth and development. Peekaboo Beans designs, contract manufacturers and sells its playwear apparel through a growing direct sales network of approximately, 1,000 independent Peekaboo sales representatives or "Stylists" across Canada while reinventing the home-based, flexible entrepreneurship opportunity for the modern woman who does not want to sacrifice time with their families.

Peekaboo Beans' design team is unique in that they work with child development specialists, educators and therapists to review, evaluate and create new designs that take into consideration the development needs of children by creating value with versatile pieces and longevity through quality construction.

Peekaboo Beans relies on a specific suppliers to provide custom designed fabrics and does not own or operate manufacturing facilities but instead works closely with its third-party contract manufactures who adhere to a Peekaboo Beans specific vendor code of ethics regarding social and environmental sustainability practices. Peekaboo Beans follow the production its apparel from raw fibre to finished garment and beyond to ensure its apparel does not end up in a landfill.

Peekaboo Beans is the largest direct-sales retailer of children apparel in Canada, generating annual sales of over \$3.5-million (unaudited) in 2015. The direct sales model allows for actual product demonstration and first-hand testimonial of the quality of the apparel, which serves as a powerful sales tool, which is strengthened by ongoing personal contact and education between the Stylists and Mother. The direct sales model allows Peekaboo Beans a low-cost growth strategy without the fixed structural costs that retail or e-commerce retailers must incur. Peekaboo Beans has paid to-date approximately \$2.4-million (unaudited) in income to Stylists through the direct-sales model.

With a mission statement "to provide the ingredients for a playful life", Peekaboo Beans Founding Director and Co-Founder of lululemon, Mr. Darrell Kokpe says, "I see the same culture driven passion in Peekaboo Beans that I saw when we started lululemon".

Ms. Jan Gilmore, a leading direct-sales consultant and who launched the Canadian direct-sales strategy

for Warren Buffet owned, The Pampered Chef, says, “This is an unbelievable opportunity for Peekaboo Beans Stylists to be able to own shares in the company. For the first time ever, their success with their own Peekaboo Beans business can fuel the value of their personal share holding, as the company grows.”

Peekaboo Beans is a federally incorporated company under the *Canada Business Corporations Act*, with its head office in Vancouver, British Columbia. Learn more about Peekaboo Bean’s and its children apparel at www.peekaboobeans.com.

Board and Management of the Resulting Issuer

On closing of the Transaction, it is expected that the following directors and officers of will be appointed and join Messrs. Michael Kuiack and Andrew Mah as directors of the resulting issuer. Mrs. Christine McPhie is expected to continue to serve as CFO and corporate secretary of the resulting issuer. Mr. Tom Kusumoto is expected resign as a director.

Mrs. Traci Costa (Director, President and CEO)

In 2005, Mrs. Costa founded Peekaboo Beans with the purpose to design and developed a line of children playwear with that supported children’s developmental, physical, and social requirements. Prior to starting Peekaboo Beans, Mrs. Costa worked for over a decade in the financial service industry in Canada. Mrs. Costa currently holds 837,455 Peekaboo Shares and 43,516 Peekaboo Warrants.

Mr. Darrell Kopke (Director)

Mr. Kopke is an initial investor in Peekaboo Beans and has been a director since 2009. Mr. Kopke is founder and CEO of institute B, a business advisory and accelerator firm focusing on for-profit social impact benefit corporations. Previously, Mr. Kopke was CEO of Kit and Ace Designs Ltd., a global designer and retailer of technical luxury apparel and accessories and was a member of the group of founders of Lululemon Athletic (NASDAQ: LULU, TSX: LLL), a yoga-inspired athletic apparel retailer based in Vancouver, Canada. Mr. Kopke served as General Manager of Lululemon Athletic from 2001 to 2005 and as Managing Director for Asia Pacific to January 2009. Mr. Kopke graduated from Concordia University with a Bachelor of Commerce Degree in Marketing and a Masters in Business Administration from the University of British Columbia. Mr. Kopke currently holds 305,000 Peekaboo Shares.

Mrs. Nikki Mayer (Director)

Mrs. Mayer has been General Manager Peekaboo Beans since 2011 and a director since 2015. Previously, Mrs. Mayer owned and operated several Lululemon Athletic franchise stores in Whistler, British Columbia and Bellevue, Washington, USA. Mrs. Mayer holds 537,210 Peekaboo Shares and 235,068 Peekaboo Warrants.

Mr. Glenn Johnson (Director)

Mr. Johnson is an initial investor in Peekaboo Beans and has been a director since 2006. Mr. Johnson is founder and director of Endurance Wind Power, a manufacturer of advanced wind turbines designed specifically for distributed wind power applications. Previously, Mr. Johnson founded Comsource Broadband Technologies Corp. a North American based communications distribution Company. Mr. Johnson was named as the winner of Ernst and Young’s “Entrepreneur of the Year” program, Pacific Region (2013) and recognized as one of Business in Vancouver’s “Top 40 under 40” (2012). Endurance has been named one of Profit Magazine’s “Top 100 Fastest Growing Companies” (2012). Mr. Johnson owns 380,000 Peekaboo Shares.

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Cautionary statements

Completion of the Transaction is subject to a number of conditions, including Exchange acceptance and disinterested shareholder approval. 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 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 North Group should be considered highly speculative.

The TSX Venture 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.

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

Forward-Looking Information

Certain information contained in this news release that are not historical facts constitute “forward-looking information” within the meaning of applicable securities laws and are based on expectations, estimates and projections as of the date of this release. Forward-looking information includes, without limitation, possible events, statements with respect to the Transaction. The words “is expected” or “estimates” or variations of such words and phrases or statements that certain actions, events or results “may” or “could” occur and similar expressions identify forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by North Group as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. In particular, this release contains forward-looking information relating to the intention of the parties to complete the Transaction and the Concurrent Financing, use of proceeds from the Concurrent Financing and the expected closing of the Transaction. Known and unknown factors could cause actual results to differ materially from those projected in forward-looking information. Such factors include failure of the parties to obtain the necessary approvals for the Transaction and any other factors that may cause the Transaction not to be

completed in the timeframe expected or at all. Many of these factors could cause actual results to differ materially from those expressed or implied in any forward-looking information provided by, or on behalf of, North Group in this release. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All forward-looking information made in this release is qualified by these cautionary statements. Although North Group believes that the expectations in the forward-looking information are reasonable, actual results may vary, and future results, levels of activity, performance or achievements cannot be guaranteed. North Group does not assume any obligation to update any forward-looking information except as required under applicable securities law.

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