

Peekaboo Beans Complete Initial Closing of Private Placement and Provides Corporate Updates

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VANCOUVER, BC – May 12, 2017-- Peekaboo Beans Inc. (“**Peekaboo Beans**” or the “**Company**”) (TSXV-BEAN), a direct-sales retailer of children’s apparel, is pleased to announce that it has completed an initial closing of its previously announced brokered and non-brokered private placements of units for aggregate gross proceeds for approximately \$1.6 million (the “**Private Placement**”). The Private Placement was brokered by Canaccord Genuity Corp. (“**Canaccord**”) and included a non-brokered component that closed concurrently. The Company intends to use the net proceeds to expand its independent sales network of “Stylists” into the United States, and expand its operations in Eastern Canada which will include, in each case, sales training, marketing initiatives, software development and inventory.

The Private Placement consisted of the issuance of 2,633,001 units at a price of \$0.60 per Unit for aggregate gross proceeds of \$1,579,800.60. Each unit (a “**Unit**”) consisted of one common share in the capital of the Company (a “**Common Share**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”) with each Warrant exercisable by the holder into one Common Share of the Company at a price of \$0.80 for a period of 24 months from the closing date. On closing of the Private Placement, Canaccord was paid a commission comprised of a cash fee in the amount of \$67,158.04 and was issued an aggregate of 111,930 Agent’s warrants. Each Agent’s warrant is exercisable for Units at a price of \$0.60 per Unit for a period of 24 months from the closing of the Private Placement. In addition, the Company also paid the Agent a \$30,000 corporate finance fee in connection with the Private Placement.

All securities issued under the Private Placement, including securities issuable on exercise thereof, are subject to a hold period expiring four months and one day from the closing date.

Corporate Updates

The Company is excited to announce that in April 2017 it had its highest recruitment month to date of new stylists joining in Canada. “We look forward to continuing this momentum and building on this success as we expand into the US later this year” says Ms. Traci Costa, Founder and CEO of Peekaboo Beans.

The Company has agreed to issue an aggregate of 1,078,141 units to certain creditors of the Company at deemed price of \$0.60 per unit in settlement of \$646,884.75 of debt (the “**Shares for Debt Transaction**”). Additionally, the

Corporation has agreed to issue an aggregate of 121,554 units at deemed price of \$0.60 per unit to various consultants and former officers and/or directors of the Company in settlement of the various consulting fees, director fees and/or outstanding expenses payable of \$72,932.60 (the “**Shares for Services Transaction**”). The units issued pursuant to the Shares for Debt Transaction and Shares for Services Transaction shall have the same terms and conditions as the Units issued in the Private Placement. The issuance of the units pursuant to the Shares for Debt Transaction and Shares for Services Transaction is subject to the approval of the TSX Venture Exchange. In accordance with applicable securities laws, all securities issued under the Shares for Debt Transaction and the Shares for Services Transaction including securities issuable on exercise thereof, are subject to a hold period expiring four months and one day from the closing date.

In addition to the foregoing transactions, on May 12, 2017, the board of directors of the Company granted an aggregate of 855,000 incentive stock options pursuant to the Company’s stock option plan to certain directors, officers and consultants. The options are exercisable at a price of \$0.60 for a period of 10 years.

About Peekaboo Beans

Peekaboo Beans Inc. is a high-quality, ethically manufactured children’s apparel brand sold exclusively through its direct-sales network of Stylists or independent sales representatives. In line with its mission, Peekaboo Beans develops custom fabrics and designs its apparel to promote play in children’s lives. Through the direct-sales model, Peekaboo Beans trains women to be entrepreneurs, build a business and generate income on their own terms.

Following closing of the Private Placement Peekaboo Beans has 10,164,424 Common Shares and 4,388,687 warrants outstanding.

Forward-Looking Information

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.

This news release may include forward-looking information that is subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward-looking, including statements with respect to anticipated completion of the Shares for Debt Transaction and the Shares for Services Transaction and the use of proceeds from the Private Placement. Although the Company believes the expectations expressed in such forward-looking information are based on reasonable assumptions, such information is not a guarantee of future performance and actual results or developments may differ materially from those contained in forward-looking information. Factors that could cause actual results to differ materially from those in forward-looking information include, but are not limited to, fluctuations in market prices, successes of the operations of the Company, continued availability of capital and financing and general economic, market or business

conditions. There can be no assurances that such information will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. The Company does not assume any obligation to update any forward-looking information except as required under the applicable securities laws.

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