

Midpoint announces closing of second tranche of private placement

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TORONTO, May 12, 2016 /CNW/ - Midpoint Holdings Ltd. (the "**Company**") (TSXV: MPT) is pleased to announce that it has closed the second tranche of its previously announced private placement through the issuance of 1,270,000 units ("**Units**") at a price of \$0.10 per Unit for total gross proceeds of \$127,000 (the "**Offering**"). Each Unit is comprised of one common share (a "**Common Share**") in the capital of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty four (24) months from the closing of the Offering at a price of \$0.20 per Common Share, provided that if, at any time after the date that is more than four months and one day following the closing of the Offering, the Common Shares trade on a stock exchange at a volume weighted average trading price of \$0.50, or greater, per Common Share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date on which such notice is given by the Company.

The Common Shares and the Warrants comprising the Units issued in connection with the completion of the first tranche of the Offering are subject to a hold period of four months and a day. The proceeds of the Offering will be used for general working capital purposes.

The second tranche of the Offering constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("**MI 61-101**") as an insider of the Company subscribed for 1,000,000 Units. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the second tranche of the Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the private placement and complete the Offering in an expeditious manner.

EARLY WARNING NOTICE

Prior to the completion of the second tranche of the Offering, David Wong, a director and officer of the Company owned, directly and indirectly 4,365,000 Common Shares of the Company representing approximately 6.4% of the issued and outstanding Common Shares of the Company. Upon completion of the second tranche of the Offering, Mr. Wong will own, directly and indirectly, 5,365,000 Common Shares of the Company representing approximately 7.7% of the Company's issued and outstanding Common Shares on a non-diluted basis. If Mr. Wong were to exercise all of his convertible securities he would own, directly and indirectly, 9,415,000 Common Shares, representing approximately 12.8% of the Company's then outstanding Common Shares, on a partially diluted basis. Depending on market and other conditions, or as future circumstances may dictate, Mr. Wong may from time to time increase or decrease his holdings of Common Shares or other securities of the Company. This portion of the news release is issued pursuant to National Instrument 62-103 - *The Early Warning System and Related TakeOver Bid and Insider Reporting Issues* of the Canadian Securities Administrators, which also requires an early warning report to be filed with the applicable securities regulators containing additional information with respect to the foregoing matters. A copy of Mr. Wong's early warning report in respect of this transaction will be available on the Company's issuer profile on SEDAR at www.sedar.com.

The existing shares were acquired for investment purposes. Mr. Wong may, from time to time, on an individual or joint basis, acquire additional securities of the Company, dispose of some or all of the existing or additional securities he holds or will hold, or may continue to hold his current position.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release and has neither approved nor disapproved of the contents of this press release.

This news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "would", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the information is provided, and is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. For a description of the risks and uncertainties facing Midpoint and its business and affairs, readers should refer to Midpoint's Management's Discussion and Analysis. Midpoint undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, unless required by law. The reader is cautioned not to place undue reliance on forward-looking information.

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