

**PERCY STREET CAPITAL CORPORATION**  
**ANNOUNCING QUALIFYING TRANSACTION**

**Ottawa, ON, December 13, 2016** – Percy Street Capital Corporation (“Percy Street” or the “Corporation”), a capital pool company, is pleased to announce it has entered an arm’s length agreement in principle to purchase all of the issued and outstanding securities of Bonne Holdings Inc. (“Bonne O”), a corporation incorporated on August 1, 2013 under the laws of Ontario, and it intends that the proposed transaction will constitute its qualifying transaction (the “Qualifying Transaction”) under the policies of the TSX Venture Exchange (the “Exchange”).

**Qualifying Transaction**

Pursuant to a letter of intent dated December 9, 2016, the parties intend to enter a securities exchange agreement whereby Percy Street shall acquire all of the issued and outstanding common shares in the capital of Bonne O (the “Bonne O Common Shares”) from Bonne O’s shareholders on the basis of a 3.3:1 share exchange ratio (the “Exchange Ratio”) whereby holders of Bonne O Common Shares will receive 3.3 post-Consolidation (as defined below) common shares of Percy following the Qualifying Transaction (the “Resulting Issuer Shares”, and Percy Street after completion of the Qualifying Transaction, hereinafter referred to as the “Resulting Issuer”) for each one Bonne O Common Share held at a deemed price per Resulting Issuer Share of \$0.33. Percy Street will issue 31,059,214 Resulting Issuer Shares to the shareholders of Bonne O in exchange for all the issued and outstanding shares of Bonne O.

In addition, all outstanding options and other convertible securities of Bonne O will be exchanged at the Exchange Ratio for options and convertible securities of the Resulting Issuer having the same economic terms, or will be adjusted pursuant to the terms governing such options or convertible securities, as applicable.

Prior to the securities exchange, Percy Street will consolidate its issued and outstanding capital on a 3:1 basis (the “Consolidation”).

The proposed Qualifying Transaction is not a Non-Arm’s Length Qualifying Transaction. The Qualifying Transaction will not be subject to shareholder approval.

Percy Street has engaged Industrial Alliance Securities Inc. to act as lead agent and sole bookrunner for a private placement to raise a minimum of 7,575,758 units (the “Units”) issued at a price of \$0.33 per Unit resulting in gross proceeds of a minimum of \$2,500,000 (the “Offering”). Each Unit will consist of one Resulting Issuer Share and one-half of one Resulting Issuer Share purchase warrant (the “Warrants”). Each whole Warrant will entitle the holder to acquire one additional Resulting Issuer Share at an exercise price of \$0.45 for a period of twenty-four (24) months following the Closing Date. Closing of the Offering is a condition to the closing of the Qualifying Transaction.

Under the terms of the engagement, the Agent will be entitled to a cash commission on Closing equal to 7.5% of the gross proceeds arising from the Offering; (ii) options exercisable at any time for the twenty-four (24) month period following closing of the Offering to purchase Resulting Issuer Shares in an amount equal to 7.5% of the number of Units sold in connection with the Offering at a price of \$0.33 per share; and (iii) a work fee of \$20,000 payable as of the date of the engagement. The Agent will also be entitled to reimbursement of all expenses related to the

Offering. Percy has provided an advance of such expenses to the Agent in the amount of \$10,000.

Subject to Exchange acceptance, Percy Street intends to loan to Bonne O \$225,000 with 15% interest per annum, calculated monthly by way of a secured promissory note (the "Note"). The Note shall be payable on demand starting on the earlier of 30 days after the date the Qualifying Transaction is terminated or April 1, 2017. The Note shall be secured by way of a Personal Property Security Act registration against the assets, inventory and accounts of Bonne O; and a pledge of any investment tax credits for scientific research and experimental development expenses.

Conditions precedent to the Closing of the Qualifying Transaction include completion of the Consolidation; closing the minimum Offering; voluntary pooling of 75% of the Resulting Issuer Shares issued to non-insider shareholders of Bonne O, whereby the holders will be restricted from selling their Resulting Issuer Shares for a period of one (1) year after Closing; and Bonne O obtaining all necessary consents to complete the Qualifying Transaction.

### **History of the Business and Significant Financial Information**

Bonne O manufactures and sells home appliance carbonation systems that allows users to make sparkling beverages at home. Bonne O's proprietary carbonation technology was developed as a result of over three (3) years of research and development. Bonne O holds three (3) utility patents from the U.S. PTO and pending patents in Canada, the European Union, China, Australia, South Africa and Brazil. Bonne O's technology carbonates without a high pressure CO2 tank and without the creation of solid waste. Bonne O began selling its systems in mid-2015 with the Hudson Bay Corporation and expanded distribution in 2016 with Canadian Tire, Best Buy and other retailers in Canada. Bonne O carbonation systems produce beverages in sparkling waters, fruit and herb infusions, sparkling teas, sparkling wines and cocktails.

The proceeds from the Offering will be used for the completion of development of the next generation of its carbonation system, tooling, marketing & sales and G&A. The next generation system is built on the same intellectual property and technology platform as the previous versions and is ready for completion and production. The next generation of Bonne O carbonation technology is a significant step forward in ease of use, speed of drink creation, carbonation customization and is also lower in cost to manufacture. These advances will allow Bonne O to distribute its systems in many additional countries globally and increase the number of channels it can distribute in.

After the acquisition by the Corporation of all the issued and outstanding securities of Bonne O, the Resulting Issuer will be involved in the Diversified Industries sector, selling consumer goods.

Bonne O's head office and management are based in Toronto, Ontario. Bonne O's products are conceptualized, engineered and developed in Ontario, Canada. Bonne O's manufacturing is contracted out to third parties. Darren Hatherell, President of Bonne, owns 52% of the issued and outstanding securities of Bonne O and is the company's sole Control Person (as that term is defined by the Exchange). He is a resident of Ontario.

### **Financial Information**

Based on unaudited financial statements for the year ending July 31, 2016, Bonne O generated revenues of \$519,343 and a net loss before taxes of \$1,575,919. As at July 31, 2016 Bonne had

total assets of \$1,649,881 and total liabilities of \$776,768 and positive shareholders' equity in the amount of \$873,113.

### **Directors and Management of the Resulting Issuer**

The following are summaries of those individuals considered Insiders of the Resulting Issuer. The summaries include each individual's expected positions with the Resulting Issuer and relevant work and educational backgrounds:

**Darren Hatherell – President and Director** Darren Hatherell is the President, founder and a director of Bonne O. Mr. Hatherell holds an MBA and the title of "Ivey Scholar" from the Richard Ivey School of Business. He is a CFA charterholder and a member of the Toronto CFA Society. Prior to Bonne O, Darren was the Managing Director of Digital Cement and instrumental to the significant growth of the company. Digital Cement was a market pioneer in online customer relationship management and analytics. Clients included Kraft Foods, FedEx and Dell. Digital Cement was sold in 2008 to Pitney Bowes (Stamford, CT) for US\$52MM. Darren was also a consultant with Monitor Company, working in Toronto, Boston and Istanbul with client engagements in corporate strategy, brand strategy, customer strategy and distribution management.

**Alan Long – Chief Financial Officer and Director** Alan Long is the Vice-President (Finance) of Bonne O. Mr. Long graduated from Acadia University in 1986 with a Bachelor of Business Administration degree, and obtained his CA designation during his tenure at PriceWaterhouseCoopers LLP where he was a senior manager in the restructuring and M&A group. An entrepreneur at heart, Mr. Long has been part of the founding group of two successful private companies, the most recent being Digital Cement, where he was the CFO. Joining Digital Cement with only 4 employees, he was part of the founding team that grew the company to 160 employees and was instrumental in its successful sale to Pitney Bowes in 2008. Previously Mr. Long was also the Director of Operations of Bayshore Healthcare and Director of Finance of Tinwald Technologies Inc., Alan also currently serves on the boards of directors of two private companies.

**Mike Branchflower – Director** Mike Branchflower is a director of Bonne O. Mr. Branchflower is currently the Vice President of Corporate Development at Execution Specialist Group LLC, a management consulting firm. He has held several senior leadership positions including: Principal, M-Pact Advisory Services; Vice President Strategic Group Marketing, ITS Neopost, Inc.; CEO, CentrSource Canada; Vice President Global Business Development, Pitney Bowes; and Vice President Alternative Channels and Postal Affairs, Pitney Bowes Canada.

**Stacey Mowbray – Director** Stacey Mowbray is the President of the Americas for Weight Watchers International. Previously, she was CEO and President of Second Cup Ltd. for 6 years. Prior to Second Cup, Ms Mowbray had roles with Molson Canada as CMO and CARA Operations as the President of the Milestones restaurant brand.

**Timothy McCunn – Director** Timothy McCunn is the President, secretary and a director of Percy Street. He is member of the Business Law Group at Perley-Robertson, Hill & McDougall LLP. Mr. McCunn's practice is focused on corporate/commercial and securities law with particular emphasis on mergers and acquisitions and corporate finance for the technology and life science sectors. Specific assignments include board and governance advice, initial public offerings, private placements, credit agreements, capital pool corporations, reverse take-overs, take-overs, purchase and sale transactions, independent committee counsel, joint ventures,

licensing/co-development and distribution arrangements as well as complex commercial agreements. Mr. McCunn is fluently bilingual and has been recognized repeatedly in Canadian Legal Lexpert's Directory in the area of Corporate Commercial Law; Corporate mid-market and Private Equity. Tim is a graduate of McGill University (B.Com) and the University of Ottawa (LLB).

**Dr. Calvin Stiller – Director** Dr. Calvin Stiller is a director and chairman of Percy Street. Dr. Stiller is the President of the Stilco Corporation, a life sciences and advanced health technologies company based in London, Ontario. Dr. Stiller received his medical degree from the University of Saskatchewan in 1965 and his fellowship in the Royal College of Physicians and Surgeons of Canada (FRCPC) in 1972, following seven years of post-graduate studies in Edmonton, Alberta and London, Ontario. He is a member of the Order of Ontario and officer of the Order of Canada. He is the recipient of four honorary degrees and numerous others, including the Medec Award and the Canada Gairdner Wightman Award.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange 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. Investors are cautioned that, except as disclosed in the management information circular or 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 a capital pool company should be considered highly speculative. The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

#### Contact information

Timothy McCunn  
CEO  
613-566-2831