

Buzz Capital 2 Inc. Announces Proposed Qualifying Transaction with Equispheres Inc.

Stifel GMP and INFOR Financial Engaged to Co-Lead Concurrent Private Placement

Ottawa, Ontario--(Newsfile Corp. - May 14, 2021) - Buzz Capital 2 Inc. (TSXV: BUZH.P.) (the "**Company**" or "**Buzz 2**"), a capital pool company listed on the TSX Venture Exchange (the "**TSXV**"), is pleased to announce that it has entered into a letter of intent dated May 14, 2021 (the "**LOI**") with Equispheres Inc. and Equispheres Holdings Inc. (collectively, "**Equispheres**") to complete a going-public transaction in Canada for Equispheres (the "**Proposed Transaction**").

[Equispheres](#) specializes in the development and production of high-performance metal powders for additive manufacturing. Equispheres' core intellectual property advantage is centered around its proprietary, patent-pending, spherical powder which prints four times faster and achieves cost reductions of up to 50% enabling additive manufacturing technology to compete economically with traditional manufacturing processes.

Equispheres Inc. was incorporated under the *Canada Business Corporations Act* on February 18, 2014 and was subsequently amalgamated with 11832174 Canada Inc. on March 2, 2020. Equispheres Holdings Inc. was incorporated on January 8, 2020 under the *Canada Business Corporations Act*.

It is intended that the Proposed Transaction will proceed by way of an amalgamation of Equispheres with a wholly-owned subsidiary of Buzz 2 ("**Buzz 2 Subco**") pursuant to the terms of a definitive agreement to be entered into by Buzz 2, Buzz 2 Subco and Equispheres (the "**Definitive Agreement**"). For convenience, Buzz 2, as it will exist after completion of the Proposed Transaction, is sometimes referred to herein as the "**Resulting Issuer**".

Buzz 2 intends that the Proposed Transaction will constitute its "Qualifying Transaction" under Policy 2.4 - Capital Pool Companies of the TSXV.

Summary of the Proposed Transaction

For purposes of the Proposed Transaction, the expected value of each outstanding common share of Buzz 2 (each, a "**Buzz Share**") will be \$0.147 (on a pre-consolidation basis). Pursuant to the Proposed Transaction it is intended that: (i) the outstanding Buzz Shares will be consolidated on the basis of one post-consolidation Buzz Share for each ten pre-consolidation Buzz Shares (the "**Consolidation**"); and (ii) the holders of shares in the capital of Equispheres (each, an "**Equispheres Share**") (including those investors in the Concurrent Financing (as defined below)) will receive shares in the capital of the Resulting Issuer in exchange for each outstanding Equispheres Share on a ratio to be determined based on the price per subscription receipt under the Concurrent Financing (the "**Exchange Ratio**"). The outstanding options of Buzz 2 will be adjusted accordingly to reflect the Consolidation. In addition, all outstanding incentive stock options of Equispheres will be exchanged for incentive stock options of the Resulting Issuer on equivalent terms after giving effect to all of the transactions contemplated in connection with the Proposed Transaction.

Following the completion of the Proposed Transaction, the securityholders of Equispheres (including those investors under the Concurrent Financing) will hold a significant majority of the outstanding common shares of the Resulting Issuer.

A comprehensive press release with further particulars relating to the Proposed Transaction and the Resulting Issuer will follow in accordance with the policies of the TSXV.

Completion of the Proposed Transaction is subject to a number of conditions including, but not limited to: (i) completion of satisfactory due diligence; (ii) execution of the Definitive Agreement; (iii) receipt of regulatory approvals; (iv) acceptance of the Proposed Transaction as Buzz 2's Qualifying Transaction by the TSXV; (v) receipt of approval for the listing of the common shares of the Resulting Issuer; (vi) the approval of the Proposed Transaction by the requisite majority of Equispheres shareholders; and (vii) the approval of various matters related to the Proposed Transaction by the requisite majority of Buzz 2 shareholders, including the appointment of a new slate of directors nominated by Equispheres, subject to the completion of the Proposed Transaction, and if applicable pursuant to the requirements of the TSXV, majority of the minority shareholder approval. Where applicable, the Proposed Transaction cannot close until the required shareholder approval is obtained.

In connection with the Proposed Transaction, Buzz 2 intends to change its name to "Equispheres Inc." and to replace all directors and officers of Buzz 2 on the effective date of the Proposed Transaction with the Equispheres nominees.

Trading in the Buzz Shares is currently suspended and will remain suspended until the completion of the Proposed Transaction. There can be no assurance that the Proposed Transaction will be completed on the terms proposed or at all.

Chuck Rifici, a director of Buzz, indirectly holds 666,842 Series A-1 Preferred Shares in the capital of Equispheres Inc., which is 0.93% of the issued and outstanding share capital of Equispheres Inc. on a fully diluted basis. Mr. Rifici indirectly holds 800,000 Buzz Shares (8.85% on a fully diluted basis) and options to acquire 164,000 Buzz Shares (1.81% on a fully diluted basis).

Summary of the Concurrent Financing

In connection with the Proposed Transaction, Equispheres plans to complete a "best-efforts" brokered private placement of subscription receipts (the "**Concurrent Financing**") of Equispheres (the "**Subscription Receipts**"), with a syndicate of agents co-led by Stifel GMP and INFOR Financial Inc. ("**INFOR Financial**" and, together, with Stifel GMP, the "**Co-Lead Agents**").

The gross proceeds of the Concurrent Financing, less 50% of the agents' cash commission (as described below) and certain expenses of the agents, will be deposited in escrow on the closing date of the Concurrent Financing until the satisfaction of certain release conditions, including that all conditions precedent to the Proposed Transaction have been met (the "**Release Conditions**").

Upon the satisfaction of the Release Conditions, each Subscription Receipt will be converted into one Equispheres Share, without payment of any additional consideration or further action on the part of the holder thereof. At the effective time of the Proposed Transaction, each Equispheres Share will be exchanged for Resulting Issuer shares in accordance with the applicable Exchange Ratio.

In the event that the Release Conditions have not been satisfied prior to 120 days following the closing of the Concurrent Financing, or Equispheres advises the Co-Lead Agents or announces to the public that it does not intend to satisfy the Release Conditions or that the Proposed Transaction has been terminated, the aggregate issue price of the Subscription Receipts shall be returned to the applicable holders of the Subscription Receipts (net of any applicable withholding taxes), and such Subscription Receipts shall be automatically cancelled and be of no further force and effect.

It is expected that, in connection with the Concurrent Financing, the agents will be entitled to receive a cash fee equal to 6% of the aggregate gross proceeds of the Concurrent Financing and such number of compensation options (the "**Compensation Options**") equal to 6% of the number of Subscription Receipts issued by Equispheres (including any Subscription Receipts issued pursuant to the agents' option). Each Compensation Option will be exercisable for one Equispheres Share for a period of two years from the date of closing of the Concurrent Financing. In connection with the completion of the Proposed Transaction, each Compensation Option will be exchanged for options of the Resulting Issuer and adjusted by the applicable Exchange Ratio.

The Subscription Receipts will be offered in all provinces of Canada and such other jurisdictions as Equispheres and the Co-Lead Agents may agree, where the Concurrent Financing can be offered and sold without the requirement to file a prospectus or similar document. It is expected that the net proceeds from the Concurrent Financing will be used for commercial and business development initiatives, working capital, and general corporate purposes.

To date, Equispheres has raised approximately C\$61,000,000 through its venture capital rounds and government grants.

"This is an inflection point for both Equispheres and the Additive Manufacturing sector as our technology will significantly lower the cost of metal 3D printing and further disrupt a manufacturing ecosystem still reliant on the age-old practice of traditional metal casting," said Kevin Nicholds, CEO of Equispheres. "We're thrilled to receive the support of Stifel GMP and INFOR Financial, a strong show of confidence in the long-term potential of metal Additive Manufacturing."

Further Information

Further details about the Proposed Transaction and the Resulting Issuer will be provided in a filing statement prepared and filed by Buzz 2 in respect of the Proposed Transaction.

Investors are cautioned that, except as disclosed in the filing statement to be prepared in connection with the Proposed Transaction, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

About Buzz Capital 2 Inc.

Buzz 2 is a capital pool company governed by the policies of the TSXV. The principal business of Buzz 2 is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

About Equispheres

[Equispheres](#) is a materials science technology company specializing in high-performance metal powders for additive manufacturing in the automotive, aerospace, and defense industries. We focus on developing innovative, clean-tech solutions to help solve advanced manufacturing challenges with our deep knowledge of metallurgy and its application to additive manufacturing.

Cautionary Note Regarding Forward-Looking Statements:

This news release contains statements that constitute "forward-looking statements." Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause Buzz 2's actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Forward-looking statements in this document include, among others, statements relating to expectations regarding the completion of the Proposed Transaction (including all required approvals), the listing on the TSXV, the Concurrent Financing, the business plans of the Resulting Issuer and other statements that are not historical facts. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors and risks include, among others: (a) that there is no assurance that the parties hereto will obtain the requisite director, shareholder and

regulatory approvals for the Proposed Transaction; (b) there is no assurance that the Concurrent Financing will be completed or as to the actual offering price or gross proceeds to be raised in connection with the Concurrent Financing; (c) following completion of the Proposed Transaction, the Resulting Issuer may require additional financing from time to time in order to continue its operations which may not be available when needed or on acceptable terms and conditions acceptable; (d) the stock markets have experienced volatility that often has been unrelated to the performance of companies and these fluctuations may adversely affect the price of the Resulting Issuer's securities, regardless of its operating performance; and (e) the impact of COVID-19.

The forward-looking information contained in this news release represents the expectations of Buzz 2 as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Buzz 2 undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION, NOR SHALL THERE BE ANY OFFER, SALE, OR SOLICITATION OF SECURITIES IN ANY STATE IN THE UNITED STATES IN WHICH SUCH OFFER, SALE, OR SOLICITATION WOULD BE UNLAWFUL. ANY SECURITIES REFERRED TO HEREIN WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "**1933 ACT**") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO A U.S. PERSON IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.

The TSXV has not in any way passed upon the merits of the Proposed Transaction and neither has approved nor disapproved the contents of this news release.

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 news release.

For further information, please contact:

Patrick Lalonde, President and CEO
Tel.: 613-366-4242

**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES**

To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/84185>