

**KAPA CAPITAL INC.**  
2475 Queens Avenue  
West Vancouver, BC  
V7V 2Y9

**NEWS RELEASE**

May 11, 2021

SYMBOL – KAPA.P

**KAPA CAPITAL INC. ANNOUNCES TRANSITION TO NEW CPC RULES  
AND RESULTS FROM AGSM**

Kapa Capital Inc. ("**Kapa**" or the "**Company**") is pleased to announce that it has received the approval of the TSX Venture Exchange (the "**Exchange**") to make certain amendments as allowed by Policy 2.4 of the Exchange Corporate Finance Manual effective January 1, 2021 (the "**New CPC Policy**") and as approved by the Company's shareholders at its Annual General and Special Meeting held on March 2, 2021 (the "**AGSM**").

At the AGSM, the Company's shareholders also voted to:

- set the number of directors at three;
- reappoint Charalambos (Harry) Katevatis, Vivian Katsuris and Allan Williams as directors of the Company;
- reappoint Saturna Group Chartered Accountants LLP as the Company's auditor; and
- re-approve the Company's stock option plan.

**Requirement to move to NEX and cancel Seed Shares after 24 months**

Under the Exchange's Policy 2.4 - Capital Pool Companies (as at June 14, 2010) (the "**Old CPC Policy**") there were certain consequences if the Company did not complete a Qualifying Transaction within 24 months of the date it was listed on the Exchange. These consequences include a potential for Common Shares to be delisted or suspended, or, subject to the approval of the majority of the Company's shareholders, transferring Common Shares to list on the NEX and cancelling certain seed shares. The New CPC Policy allows CPCs to remove these consequences assuming disinterested shareholder approval is obtained.

At the AGSM, a resolution of the disinterested shareholders of the Company was passed approving this change and pursuant to the Exchange's approval, as received, the Company will now proceed to implement this change.

**CPC Escrow Agreement**

The New CPC Policy, assuming disinterested shareholder approval is obtained, allows amendments to the Company's Escrow Agreement, including allowing the Company's escrowed securities to be subject to an 18 month escrow release schedule as detailed in the New CPC Policy, rather than the current up to 36 month escrow release schedule in the Old CPC Policy.

At the AGSM, a resolution of the disinterested shareholders of the Company was passed approving an amendment to the escrow release schedule to 18 months rather than 36 months, and pursuant to the Exchange's approval, as received, the Company will now proceed to implement this change and amend its Escrow Agreement.

ON BEHALF OF THE BOARD

**Kapa Capital Inc.**

Charalambos (Harry) Katevatis  
President, Chief Executive Officer and Director

**For further information contact:**

Charalambos (Harry) Katevatis  
President, Chief Executive Officer and Director of Kapa Capital Inc.  
604 836-6667

*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.*

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