

Mithrandir Capital Corp. Announces Qualifying Transaction

Toronto, Ontario--(Newsfile Corp. - November 12, 2019) - Mithrandir Capital Corp. (TSXV: GMER.P) ("Mithrandir" or the "Corporation") is pleased to announce that it has entered into a letter of intent (the "**LOI**") dated November 11, 2019 with PopReach Incorporated ("**PopReach**"), a mobile focused free-to-play game publisher (the "**Transaction**"). The LOI outlines the principal terms and conditions for the Transaction, which will result in a reverse takeover of Mithrandir by PopReach and its shareholders.

The Corporation is a Capital Pool Company and intends for the transaction with PopReach to constitute its Qualifying Transaction, as such terms are defined in the policies of the TSX Venture Exchange (the "**TSXV**").

In connection with the announcement of the LOI, which is deemed an Agreement in Principle for the Qualifying Transaction, trading in the common shares of the Corporation has been halted pursuant to the policies of the TSXV. Trading will remain halted until, among other things, the Corporation completes certain regulatory filings in connection with the Qualifying Transaction with the TSXV and the TSXV has completed certain matters it considers necessary or advisable.

The Transaction

It is currently anticipated that Mithrandir will acquire PopReach, by way of a three-corner amalgamation, share exchange, plan of arrangement or other similar form of transaction as agreed by the parties.

Under the terms of the LOI, the Transaction values Mithrandir at \$3 million and PopReach at \$31.2 million (prior to giving effect to the Private Placement (as defined below)).

Immediately prior to and as a condition to closing of the Transaction, Mithrandir shall complete a share consolidation on the basis of one new share for every eight outstanding Mithrandir Shares (the "**Share Consolidation**"). Post Share Consolidation, Mithrandir shall have 3.75 million common shares issued and outstanding (the "**Mithrandir Shares**"). Prior to completion of the Private Placement, PopReach currently has the following securities issued and outstanding: (i) 4,861,062 common shares (the "**PopReach Shares**"); (ii) 729,159 incentive stock options; (iii) 462,656 warrants; (iv) an aggregate \$950,000 principal amount of convertible debentures (the "**PopReach Debentures**"), and (iv) broker warrants exercisable for \$15,000 aggregate value of PopReach securities.

Pursuant to the Transaction: (i) holders of issued and outstanding PopReach Shares will receive 7.62 Mithrandir Shares (post-consolidation) for each PopReach Share (the "**Exchange Ratio**") held by them; (ii) all options, warrants, debentures or other securities convertible into PopReach Shares shall be exchanged, based on the Exchange Ratio, for similar securities to purchase Mithrandir Shares on substantially similar terms and conditions; and (iii) any securities issued pursuant to the Private Placement will similarly be exchanged (based on the Exchange Ratio) for securities of Mithrandir. It is anticipated that, subject to the Private Placement, immediately upon completion of the Transaction, existing PopReach shareholders will hold approximately 91.23% of the Resulting Issuer (on a non-diluted basis) with the existing shareholders of Mithrandir holding approximately 8.77%.

The LOI contemplates the negotiation of a formal agreement, which will be subject to a number of conditions precedent, including:

- a) receipt of and satisfaction by Mithrandir with historical financial statements of the PopReach business as required under applicable securities law;
- b) completion of mutual satisfactory due diligence investigations of PopReach and Mithrandir;
- c) approval of the Transaction by the boards of directors of PopReach and Mithrandir;
- d) execution of a definitive agreement effecting the Transaction;
- e) approval of the Transaction by PopReach shareholders, if required;
- f) receipt of all regulatory approvals with respect to the Transaction and the listing of the resulting issuer's common shares on the TSXV;
- g) completion of the Share Consolidation, as well as Mithrandir shareholders approving a change of name and the approval of a new slate of directors to take position at closing of the Transaction; and
- h) confirmation of no adverse material change of PopReach or Mithrandir.

Private Placement

In conjunction with, or prior to the closing of the Transaction, PopReach may complete a private placement of Popreach Shares for gross proceeds of up to \$3,000,000 (the "**Private Placement**") on such other terms and conditions to be determined. Customary commissions and finders fees may be provided to arm's length parties who assist in sourcing subscriptions for the Private Placement. Details of the Private Placement will be disclosed when and if the Private Placement is undertaken, however completion of the Private Placement is not a condition to closing of the Transaction.

About PopReach

PopReach was incorporated as 2467910 Ontario Inc. on May 26, 2015 under the *Business Corporations Act* (Ontario). PopReach is a mobile game publisher focused on consolidating, operating and growing proven, profitable games and game franchises. Headquartered in Toronto with a development studio in Bangalore, PopReach's current portfolio of games are

played by approximately 500K daily active users. The company's key game franchises include War of Nations, Kitchen Scramble, Gardens of Time, City Girl Life, and Smurfs' Village.

Insiders, Board of Directors and Management of the Resulting Issuer

The Board of the Resulting Issuer shall consist of two nominees from Mithrandir and three from PopReach. The officers of the Resulting Issuer shall comprise Jon Walsh as Chief Executive Officer, Christopher Locke as President and Chief Operating Officer, and Greg Donaldson as VP Finance.

Jon Walsh

Mr. Walsh is a veteran of game publishing, delivering more than 30 games across console, PC and mobile platforms that have collectively generated more than 50 million downloads. He was the Founder of Fuse Powered, a mobile ad mediation and analytics platform used by hundreds of successful apps, and later acquired by Upsight where he served as President. He holds an HBA and MBA from the Richard Ivey School of Business at the University of Western Ontario.

Christopher Locke

Mr. Locke's 20-year career in game development and publishing includes being responsible for industry defining free-to-play games including Smurfs' Village and Kim Kardashian: Hollywood. He was the Founder and Chief Executive Officer of Blammo Games, acquired by Glu Mobile (NASDAQ: GLUU), where he served as Senior Vice President.

Greg Donaldson

Mr. Donaldson CPA, CA, has held senior finance positions at technology companies including ecobee, Freshbooks and VarageSale. He also served as the most senior financial officer for Timminco Limited, a TSX listed company with revenue in excess of \$150MM.

Sponsorship for Qualifying Transaction

Sponsorship of a Qualifying Transaction of a capital pool company is required by the TSXV unless exempt in accordance with the policies of the TSXV. Mithrandir may engage a sponsor to satisfy the sponsorship requirements pursuant to the policies of the TSXV.

Mithrandir Shareholder Approval

Two directors of Mithrandir each hold \$150,000 in principal amount of the PopReach Debentures, which upon conversion, would not result in the creation of a Control Person of PopReach or the resulting issuer. Since the Transaction is not a "Non-Arm's Length Transaction" under the policies of the TSXV, Mithrandir will not be required to obtain shareholder approval of the Transaction.

Filing Statement

In connection with the Transaction and pursuant to the requirements of the TSXV, Mithrandir will file a filing statement on its issuer profile on SEDAR (www.sedar.com), which will contain details regarding the Transaction, the Private Placement, Mithrandir, PopReach and the resulting issuer.

For further information:

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Completion of the Transaction is subject to a number of conditions, including but not limited to, TSXV acceptance and if applicable pursuant to TSXV 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 release 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 Transaction and has neither approved nor disapproved the contents of this press release.

NEITHER THE 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.

This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of Canadian securities legislation. Forward-looking information generally refers to information about an issuer's business, capital, or operations that is prospective in nature, and includes future-oriented financial information about the issuer's prospective financial performance or financial position.

The forward-looking information in this news release includes disclosure about the terms of the Transaction, the proposed structure of the Transaction and the terms of the Private Placement.

Mithrandir and PopReach made certain material assumptions, including but not limited to: prevailing market conditions; general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; the terms of the Private Placement; and the ability of the resulting issuer to execute and achieve its business objectives, to develop the forward-looking information in this news release. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Actual results may vary from the forward-looking information in this news release due to certain material risk factors. These risk factors include, but are not limited to: adverse market conditions; the inability of Mithrandir or PopReach to complete the Transaction on the terms disclosed in this news release, or at all; the unavailability of exemptions from prospectus requirements for the issuance of PopReach Shares; the risks associated with the marketing and sale of PopReach Shares; refusal of the proposed directors or officers to act for any reason, including conflicts of interest; reliance on key and qualified personnel; and regulatory and other risks associated with the digital gaming industry in general. The foregoing list of material risk factors and assumptions is not exhaustive.

Mithrandir assumes no obligation to update or revise the forward-looking information in this news release, unless it is required to do so under Canadian securities legislation.

(Not for distribution to US wire services or for dissemination in the United States of America)

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/49651>