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**Press Release**

**DELRAND ANNOUNCES PROPOSED CHANGE OF BUSINESS TRANSACTION  
WITH KUUHUBB OY**

**NOT FOR DISSEMINATION IN THE UNITED STATES**

**Toronto, Canada – January 20, 2017** – Delrand Resources Limited (“**Delrand**” or the “**Company**”) (DRN.H - NEX) announced today that it has entered into a share exchange agreement (the “**Share Exchange Agreement**”) with KuuHubb Oy (“**KuuHubb**”) and its shareholder, pursuant to which Delrand will, subject to satisfaction of certain conditions, acquire all of the outstanding shares of KuuHuub (the “**Transaction**”). The Transaction, if completed, will constitute a “Change of Business” for Delrand under Policy 5.2 of the TSX Venture Exchange (the “**Exchange**”). The Transaction is an arm’s length transaction and no Insider, promoter or Control Person (as such terms are defined in the policies of the Exchange) of Delrand has any material interest in KuuHubb prior to giving effect to the Transaction.

**KuuHubb Oy**

KuuHubb is a Finnish corporation established in October 2014 by Jouni Keränen. Christian Kolster and Tero Kuittinen joined in 2016 with the goal of building an attractive portfolio of companies in the digital entertainment business segment. The company focuses on underappreciated app categories with robust monetization and substantial global growth opportunities.

KuuHubb’s mission is to be the gateway to the digital highway between East and West for mobile and virtual reality content.

KuuHubb targets promising niches already generating real revenue and with a clear potential of wider mass market sales success. The company fosters growth of these possible future boom genres rather than chasing after categories that became widely popular years ago.

On December 1, 2016 KuuHubb acquired the assets and naming rights of Kemojo Studios (“**Kemojo**”), which is an independent video game developer based in Gastown, Vancouver, involved in developing and distributing online games including: Drone Wars; Convergence Wars; Tap Cats; Idle Warfare; Undead City; Atomic Delivery; Wasteland Raiders; Battlewack: Idle Lords; Battlewack: Online; Dungeon Runners; Tokyo Tug of War; and Wreck this City.

Kemojo is set to release Drone Wars, an aerial combat simulator mobile game. Drone Wars puts the player in command through the infrared lens of a special ops drone operator. The game features countless elite missions, challenges and campaigns inspired from today’s headlines.

Christian Kolster and Jouni Keranen reside in Finland and Tero Kuittinen resides in New York, United States. The sole shareholder of KuuHubb (as described below) is a company registered pursuant to the laws of Estonia.

### **The Transaction**

The Share Exchange Agreement provides that Delrand will, subject to satisfaction of certain conditions, acquire all of the outstanding shares of KuuHubb in exchange for the issuance by Delrand to KuuHubb's shareholder of a total of 9,800,000 common shares (each, a "**Delrand Share**") of Delrand. Further, Delrand will be required to issue up to 2,735,000 common share purchase warrants to certain service providers and lenders of KuuHubb (each such warrant will entitle the holder thereof to acquire one Delrand Share at a price of CDN\$0.50 exercisable for a period of two (2) years from the date of issuance) and issue pursuant to Delrand's stock option plan up to 2,700,000 stock options (exercisable at a price of CDN\$0.60 per share for a period of five (5) years) to current directors, officers and consultants of KuuHubb.

In addition, in accordance with the terms of the agreement pursuant to which KuuHubb purchased Kemojo, following completion of the Transaction, at the option of Delrand, Delrand may issue additional Delrand Shares to satisfy certain payment obligations under the terms of such agreement. Further information regarding the potential issuance of Delrand Shares will be included in a future press release of Delrand.

Delrand intends to change its name to KuuHubb Inc. concurrently with the completion of the Transaction. It is planned that the development and creation of the games of KuuHubb Inc. will be based in Vancouver, Canada, with additional administrative offices of KuuHubb Inc. to be located in Helsinki, Finland and Toronto, Canada (the Toronto office will be the registered office).

Financial information for KuuHubb will be provided in the Exchange filing statement of Delrand to be prepared in connection with the Transaction.

All of the issued and outstanding shares of KuuHubb are owned by Joki Capital Ou, an Estonian company owned and controlled by Jouni Keränen and Christian Kolster. Upon completion of the Transaction, Joki Capital Ou will own 9,800,000 Delrand Shares representing approximately 37.2% of the issued and outstanding Delrand Shares (not including any Delrand Shares issued pursuant to the Offering (as defined below)).

### **Private Placement**

Completion of the Transaction is conditional upon, among other things, the completion of a private placement (the "**Offering**") of subscription receipts of Delrand (the "**Subscription Receipts**") for gross proceeds of up to CDN\$8,000,000. Each Subscription Receipt will be automatically exchangeable, without additional payment, into Delrand Shares on the basis of one Delrand Share for each Subscription Receipt held pursuant to the terms of a subscription receipt agreement to be entered into between Delrand, Maison Placements Canada Inc. (the "**Agent**") and a subscription receipt agent. The said subscription receipt agreement will provide for the

exchange of the Subscription Receipts into Delrand Shares upon the completion of the Transaction.

Delrand intends to enter into an agency agreement (the “**Agency Agreement**”) with the Agent pursuant to which Delrand will engage the Agent to serve as an agent in connection with the Offering. Under the terms of the Agency Agreement, Delrand will grant the Agent an option to arrange for the purchase of up to an additional 15% of the number of Subscription Receipts issuable under the Offering, exercisable in whole or in part, anytime prior to the date of closing the Offering (the “**Closing Date**”).

It is expected that the Agency Agreement will provide that Delrand will also agree to pay the Agent a success fee (the “**Success Fee**”) comprised of: (a) a cash commission equal to 2% of the gross proceeds of the Offering; and (b) compensation warrants (the “**Compensation Warrants**”) issuable on the Closing Date, entitling the Agent to acquire 2% of the total number of Subscription Receipts issued under the Offering, at an exercise price equal to the Offering price and exercisable for a period of twenty-four (24) months from the Closing Date, subject to completion of the Transaction.

### **Appointment of Additional Directors and Management**

Upon the completion of the Transaction, the following individuals will be appointed to the board of directors and management of the Company:

**Jouni Keranen (to be appointed President, Chief Executive Officer and a director of the Company)** – Mr. Keranen has eighteen (18) years of international business management experience. Mr. Keranen has been the President of KuuHubb since October 2014 and prior thereto he was the Chief Operating Officer at Appletoon Inc. from February 2010 to December 2013. He has lived in India, Japan, China, Finland and Germany. Mr. Keranen has founded many companies including software outsourcing, game publishing, game development and cross-platform entertainment companies. Mr. Keranen has successfully raised millions in venture funding and grew organizations from 2 to 150 employees in two years. Mr. Keranen was Head of Asia for Habbo, an online gaming company with over 250,000,000 users and tens of millions of Euro in annual revenues. He speaks fluent Chinese and has an in-depth understanding of the Asian gaming and entertainment markets. Mr. Keranen has a Master of Science (Economics) degree from Helsinki School of Economics.

**Christian Kolster (to be appointed Executive Vice-President and a director of the Company)** – Mr. Kolster has twenty-five (25) years of experience in international investment from early stage companies to public listings. Mr. Kolster is a co-founder and has been Vice-President of KuuHubb since August 2016. Prior thereto Mr. Kolster was the Managing Director of Lago Invest, a family office investment company, from October 2012 to August 2016, and prior thereto Mr. Kolster was the Managing Director of C&M Capital, a merchant banking company, from October 1999 to September 2012. Mr. Kolster earned his Master of Science (Economics) from Swedish School of Economics in Helsinki, Finland in 1990 and a degree in international business and film finance from U.C.L.A in California in 1992.

**John Lee (to be appointed a director of the Company)** – Mr Lee has twenty (20) years of experience in the media and entertainment industry from early stage ventures to publicly listed companies. He is currently co-founder of several ventures in the mobile technology and eSports space in greater China, as well as serves as a strategic advisor to ESL, the largest eSports league in the world. Prior thereto, Mr. Lee was the Chief Strategy Officer for ZeniMax Holdings Asia Pacific Limited, as well as the Chief Strategy Officer of GigaMedia Limited, a NASDAQ listed company. Earlier in his career, Mr. Lee was at Softbank Venture Capital and at McKinsey & Company, both based in Asia. Mr. Lee has a Master of Science degree (Economics) from the London School of Economics in 1996, and a Bachelors degree in Political Science from the University of Michigan in 1994.

Closing of the Transaction and the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary shareholder and regulatory approvals including the approval of the Exchange. The securities issued pursuant to the Transaction and the Offering may be subject to a regulatory four month hold period and will be subject to the escrow requirements of the Exchange.

Upon the completion of the Transaction, it is planned that the board will consist of the following seven directors: Jouni Keranen, Christian Kolster and John Lee (of which John Lee will be independent), and Arnold Kondrat, Maurice Colson, Philip Chen and Geoffrey Farr (Messrs. Kondrat, Colson, Chen and Farr are currently directors of Delrand of which Messrs. Chen and Colson are independent). Mr. Farr will also continue to act as Corporate Secretary. The Company intends to appoint a Chief Financial Officer shortly.

### **Filing Statement and Subsequent News Release**

Further details about the Transaction, Offering and the resulting issuer will be provided in the Exchange filing statement of Delrand to be prepared and filed in respect of the Transaction and in subsequent news releases of Delrand, if necessary.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

*Forward-Looking Information: This press release contains forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to the proposed Transaction and Offering (including the completion and expected terms of the Transaction and Offering)) are forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that*

*could cause actual results or events to differ materially from current expectations include, among other things, failure to complete the proposed Transaction and/or Offering or failure to complete on the expected terms, and the need to satisfy regulatory and legal requirements and other conditions to closing with respect to the proposed Transaction and/or Offering. Forward-looking information speaks only as of the date on which it is provided and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.*

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*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 the 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.*

***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.***

For further information, please contact:

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