



Press Release

DELRAND ANNOUNCES TERMS OF CONCURRENT FINANCING

NOT FOR DISSEMINATION IN THE UNITED STATES

Toronto, Canada – May 24, 2017 – Delrand Resources Limited (“**Delrand**” or the “**Company**”) (DRN.H - NEX) announced today that in connection with the previously announced transaction with KuuHubb Oy (the “**Transaction**”), as previously disclosed in the press release of the Company issued on January 20, 2017 (the “**January Press Release**”), the Company proposes to complete a brokered private placement (the “**Concurrent Offering**”) of subscription receipts (the “**Subscription Receipts**”) consisting of the issuance of a minimum of 6,600,000 Subscription Receipts at a price of CAD\$0.80 per Subscription Receipt for minimum gross proceeds of CAD\$5,280,000 (the “**Minimum Offering**”) and a maximum of 10,000,000 Subscription Receipts at a price of CAD\$0.80 per Subscription Receipt for maximum gross proceeds of CAD\$8,000,000 (the “**Maximum Offering**”). Further details of the Concurrent Offering can be found below.

The Concurrent Offering is being conducted in connection with the Transaction. Further details of the Transaction can be found in the January Press Release. If completed, the Transaction will constitute a Change of Business transaction as defined pursuant to the policies of the TSX Venture Exchange (the “**Exchange**”) and the resulting issuer will be a Tier 2 technology issuer (the “**Resulting Issuer**”).

Concurrent Financing

Completion of the Transaction is conditional upon, among other things, the completion of the Concurrent Offering. Each Subscription Receipt will be automatically exchangeable, without additional payment, into one common share of the Resulting Issuer (the “**Resulting Issuer Shares**”) following completion of the Transaction pursuant to the terms of a subscription receipt agreement to be entered into between the Company, Maison Placements Canada Inc. (the “**Agent**”) and Irwin Lowy LLP (the “**Subscription Receipt Agent**”). The subscription receipt agreement will provide for the exchange of the Subscription Receipts into Resulting Issuer Shares upon the completion of: (i) all conditions precedent to the Transaction, being satisfied, or waived with the prior written consent of the Agent, in accordance with the terms of the Share Exchange Agreement (as defined in the January Press Release); and (ii) the receipt of all required shareholder, third party and regulatory approvals in connection with the Transaction, including the receipt of conditional approval from the TSXV to list the common shares of the Company on the Exchange, including the Resulting Issuer Shares issuable upon the deemed exercise of the Subscription Receipts.

The Company has entered into an engagement agreement (the “**Engagement Agreement**”) with the Agent whereby the Agent has agreed to act as exclusive agent in connection with the Concurrent Offering. Further, the Company has applied for exemption from the sponsorship requirements as required pursuant to Policy 2.2 of the Exchange policies. If however, a sponsorship is required by the Exchange, pursuant to the terms of the Engagement Agreement the Agent has agreed to act as a sponsor to satisfy such requirements in connection with the Transaction.

The terms of the Engagement Agreement provide that the Company will pay the Agent a success fee (the “**Success Fee**”) comprised of: (a) a cash commission equal to 2% of the gross proceeds of the Concurrent Offering; and (b) compensation warrants (the “**Compensation Warrants**”) issuable on the closing date, entitling the Agent to acquire 200,000 Compensation Warrants, at an exercise price of CDN\$0.80 and exercisable for a period of twenty-four (24) months following the closing date of the Transaction.

KuuHubb Financial Information

During its last fiscal period for the year ended December 31, 2016, KuuHubb Oy (“**KuuHubb**”) had no revenues and a net loss of €1,232,831 (CDN\$1,740,634). As at December 31, 2016, KuuHubb had total assets of €1,450,843 (CDN\$2,048,445) and total liabilities of €1,980,804 (CDN\$2,796,697). The foregoing financial information is based on audited financial statements of KuuHubb. Further financial information for KuuHubb will be provided in the Exchange filing statement to be prepared in connection with the Transaction.

Further Details on the Transaction

The Share Exchange Agreement entered into between the Company, KuuHubb and KuuHubb’s shareholder (as detailed in Delrand’s press release of January 20, 2017) provides that the Company will, subject to satisfaction of certain conditions, acquire all of the outstanding shares of KuuHubb in exchange for the issuance by the Company to KuuHubb’s shareholder of a total of 9,800,000 common shares (each, a “**Delrand Share**”) of the Company. 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 prices of CDN\$0.50 and CDN\$0.60 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.

Further, in accordance with the terms of a technology purchase agreement pursuant to which KuuHubb purchased certain assets from Kemojo Studios (as detailed in the January Press Release) (the “**Kemojo Agreement**”), following completion of the Transaction, at the option of the Resulting Issuer, the Resulting Issuer may issue additional common shares to the vendor of the Kemojo Studio assets to satisfy the final payment obligations under the terms of the Kemojo Agreement at prices of CDN\$0.80 per share and the 10-day volume weighted trading price of the Resulting Issuer Shares (subject to a minimum price of \$0.60 per share). Accordingly, the

maximum additional common shares issuable pursuant to this obligation would be 2,802,875 Resulting Issuer Shares.

Following completion of the Concurrent Financing, the share capitalization (on a non-diluted basis) of the Resulting Issuer will be as follows:

Resulting Issuer Shareholders	Minimum Offering (%)	Maximum Offering (%)
Former Delrand shareholders	16,512,825 (50.1%)	16,512,825 (45.5%)
Shareholder of KuuHubb	9,800,000 (29.8%)	9,800,000 (27%)
Shareholders pursuant to the Concurrent Financing	6,600,000 (20.1%)	10,000,000 (27.5%)
Total:	32,912,825	36,312,825

The Company 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 the Company to be prepared in connection with the Transaction.

Directors and Management of Resulting Issuer

Upon the completion of the Transaction, it is expected that the board of directors and management of the Resulting Issuer will consist of the persons as detailed in the January Press Release.

Filing Statement and Closing Conditions

Further details about the Transaction, Concurrent Offering and the Resulting Issuer will be provided in the Exchange filing statement of the Company to be prepared and filed in respect of the Transaction. Closing of the Transaction and the Concurrent 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 Subscription Receipts issued pursuant to the Concurrent Offering will be subject to a regulatory four month hold period. The Resulting Issuer Shares issued in connection with the Transaction and upon the conversion of the Subscription Receipts will not be subject to Exchange resale restrictions, however, certain of the Resulting Issuer Shares held by principals of the Resulting Issuer will be subject to the escrow requirements of the Exchange.

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 Concurrent Offering (including the completion and expected terms of the Transaction and Concurrent 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 Concurrent 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 Concurrent 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.

Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.

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.

Maison Placements Canada Inc., subject to completion of satisfactory due diligence, has agreed to act as sponsor in connection with the Transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the Transaction or the likelihood of completion.

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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