

# CAPSTREAM VENTURES INC.

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## NEWS RELEASE

August 23, 2016

TSXV Symbol: CSP

### CAPSTREAM ANNOUNCES CLOSING OF ADDITIONAL AXION ACQUISITIONS

**Vancouver, British Columbia** – Capstream Ventures Inc. (“**Capstream**” or the “**Company**”) is pleased to announce that the Company has closed the acquisition of an additional 16.79% beneficial interest in Axion Games Limited (“**Axion**”) as described in its press releases dated May 26, 2016, June 10, 2016, July 6, 2016 and August 4, 2016.

As disclosed in its prior press releases, the Company entered into a total of eight share exchange agreements to acquire an additional beneficial interest (direct and indirect) in Axion from arm’s length shareholders (the “**Shareholders**”) of Axion or Axion Entertainment International Holdings Limited (“**AEIH**”), a holding company of Axion.

Upon closing of the acquisitions, the Company now holds the following interests:

- (i) 266,908 shares (or an approximate 65.5% interest in AEIH) of the total 407,600 issued and outstanding shares of AEIH which owns 39,917,691 Axion shares;
- (ii) 26,866 shares (or an approximate 53.7% interest in Axion Entertainment Holdings Ltd. (“**AEH**”)) of the total 50,000 issued and outstanding shares of AEH, which owns 55,000,000 Axion shares (5,000,000 of which are held in trust for other holders and are excluded for interest calculation purposes); and
- (iii) 23,281,447 Axion shares directly.

As a result of the foregoing, Capstream has a beneficial interest in 76,286,679 (or a 46.08% interest) of the total 165,553,290 issued and outstanding Axion shares.

In exchange/consideration for the 16.79% interest in Axion, the Company issued an aggregate of 33,581,358 Capstream common shares to the Shareholders at a deemed value of \$0.40 per share. All shares are subject to a statutory hold period expiring four months and one day from closing today and a voluntary escrow agreement. Pursuant to the escrow agreements, 23,448,169 of the 33,581,358 Capstream shares will be released as follows: 25% today on closing; and 25% will be released, 6, 12 and 18 months thereafter. The other 10,133,189 of the 33,581,358 Capstream shares will be released in one tranche on February 10, 2017.

On behalf of Capstream Ventures Inc.

*John Todd Bonner*  
Chief Executive Officer  
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## **Forward Looking Statements**

*Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words “could”, “intend”, “expect”, “believe”, “will”, “projected”, “estimated”, “proposed” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Capstream’s current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the future escrow release schedules. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Capstream. Risk factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things: conditions imposed by the Exchange, general economic and business conditions; and changes in regulatory regime. Capstream cautions the reader that the above list of risk factors is not exhaustive. The forward-looking information contained in this release is made as of the date hereof and Capstream is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.*

***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.***