

CAPSTREAM VENTURES INC.
900 – 885 West Georgia Street
Vancouver, British Columbia, V6C 3H1

NEWS RELEASE

October 6th, 2015

TSXV SYMBOL: CSP.H

CAPSTREAM UPDATES QUALIFYING TRANSACTION

Vancouver, British Columbia - Capstream Ventures Inc. (“**Capstream**” or the “**Company**”) confirms that it plans to become an Investment Company under the rules of the TSX Venture Exchange (“**TSXV**”) and acquire two initial investments to meet the Initial Listing requirements as stated in Policy 2.1. Capstream further announces that it has revised the target acquisitions proposed for Capstream’s Qualifying Transaction by entering into a new Letter of Intent (“**LOI**”) to acquire by way of investment, (“**the First Transaction**”) a convertible loan in the amount of US\$350,000 in Innovega Inc. (“**Innovega**”). Innovega and its strategic partners are designing natural eyewear-centric platforms based on the patented iOptik™ display system that promise to thrill users and transform how the world uses and shares social media. The accelerating performance of mobile devices together with the availability of HD and 3D content are catalysts for new and compelling social media user experiences.

Capstream has also entered into a second revised LOI (the “**Second Transaction**”) with Red Anchor Trading Corp. (“**Red Anchor**”) which outlines the terms and conditions of a proposed transaction, pursuant to which Capstream will acquire a minimum of 40% of Red Anchor in exchange for a US\$400,000 working capital injection by Capstream. The revised LOI with Red Anchor was negotiated at arm’s length and is effective as at 5th October, 2015.

Capstream is a Capital Pool Company listed on the NEX board of the TSXV. Capstream has not commenced commercial operations and has no assets other than cash. A finder’s fee may be payable on the above transactions subject to TSXV guidelines.

Innovega Inc.

Innovega, with offices in San Diego, California and Bellevue, Washington, is developing proprietary display technology based on eyewear and contact lenses that enhance human vision allowing the wearer to simultaneously access digital media while remaining fully engaged in their normal activities. The business model is to license patented video eyewear technology and platforms to digital media and consumer product companies, enabling them to deliver high-performance personal displays in a more compact and less invasive manner. The resulting products and platforms will offer unique benefits that include transparent optics, panoramic fields of view, and full HD/3D performance, while enabling stylish and highly functional eyewear designs. Similarly, Innovega will outsource and license the manufacture of iOptik™ contact lenses. Innovega’s business model will offer contact lens manufacturers the opportunity to develop new and larger consumer segments that are not presently served by today’s contact lens industry. Strategic partners / customers will benefit from Innovega’s strong patents and other intellectual property based on Innovega being the first commercial designer of products in this new display category. Other supply-chain opportunities will exist for those companies that wish to participate in the manufacture of Innovega’s personal eyewear platforms.

Red Anchor Trading Corp.

Red Anchor is a Thailand based developer of a social application (“APP”) called “HotNow”; the company’s first commercially viable APP. HotNow is a social application that identifies popular places by the frequency of user posts, super-imposed upon a map (heat-map). It incentivizes users to visit shops and restaurants by offering users SmartCoupons, which are programmed into the platform by the shops themselves. If you visit Bangkok (“Current Test Market”), for example, you may not know where to get the best lunch or Pad Thai. You can lower your search cost by utilizing HotNow users’ posts to see what kind of people visit a certain area or shop and, if the local shops participate, take advantage of discounts. HotNow is in advanced alpha build and available on Google Playstore. Based on preliminary 2014 year end financials, and subject to the final definitive agreement, Capstream has valued 100% of Red Anchor at a pre-money US \$600,000 and has negotiated a working capital equity injection of US \$400,000 for a 40% equity interest in Red Anchor.

Change in Board of Directors

In light of the new strategic direction, Capstream intends to appoint Mr. John Todd Bonner, Mr. Steve Willey, and Mr. Robert Kang as Directors of the Company upon completion of the Qualifying Transaction. Current Directors Mr. Robert Thast and Mr. Ken Holmes have agreed to step down from the Board and the Company wishes to sincerely thank them for their contributions to the Company.

Mr. Bonner is one of the founders of Epic Games China Limited (now Axion Games Limited) and has served as a director since January 2007. Mr. Bonner co-founded and was an executive director of PCCW listed on the Hong Kong Stock Exchange, which acquired Hong Kong Telecommunications Limited in 2000. Mr. Bonner retired from PCCW group companies in 2003 and co-founded NorthStar Pacific Partners in 2003; an Indonesian based merchant bank and Axion Ventures, a Singapore based venture capital firm. Mr. Bonner graduated with a B.S.C. from Stanford University.

Mr. Willey is currently President and CEO of Innovega Inc. He is a respected pioneer in the development of a new generation of wearable technology for Virtual Reality and Augmented Reality that is expected to drive new paradigms in gaming, general entertainment and productivity. Previously, Mr. Willey was recruited by investors to become the first employee of Washington based, and now NASDAQ-listed Microvision Inc. During his career he has led teams of highly-trained staff, developed complex international partnerships, and played key roles in delivering successful IPOs and M&A transactions for companies listed on TSX/TSE and NASDAQ exchanges. He has also served as an independent director on corporate boards of listed companies and is a member of the National Association of Corporate Directors (NACD). Mr. Willey is listed as co-inventor on nine U.S. patents. Mr. Willey graduated with distinction in nuclear engineering from McMaster University, was licensed as Professional Engineer in the Province of Ontario, then completed a post-graduate degree in electronics and graphics from UBC in British Columbia. He also holds an MBA from the Anderson School of Business from the University of California in Los Angeles and has been awarded Industrial Fellow designation at two Universities.

Mr. Kang was formerly the Director of Listings at the TSXV and has held various other positions with the TMX Group from March 1992 to March 2015. During his time with the TSXV, he was also involved with numerous corporate finance transactions. He is a Corporate Finance professional who is experienced in all aspects of TSXV policy, corporate governance and public company obligations. Mr. Kang is currently the principal behind RSJ Consulting Inc., a firm that provides Corporate Finance services. He is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of British Columbia.

Upon completion of the Qualifying Transaction, Capstream will continue to pursue the acquisition of a 21.9% interest in Axion Games Limited, in accordance with the terms disclosed in its News Release dated May 12th, 2015.

Concurrent Financing

Capstream has retained Canaccord Genuity Corp., an investment bank, to conduct a concurrent brokered private placement in the amount of \$500,000, as part of a larger private placement of \$2,000,000. It is proposed the private placement will close concurrently with the completion of the Qualifying Transaction. These funds will be raised by Capstream issuing 10,000,000 shares at a price of \$0.20 per share. Finder's fees of 6% cash and 6% broker warrants will be payable to Canaccord Genuity on the brokered portion of the private placement, and a 2% fee will also be payable to Canaccord Genuity on the balance of the concurrent financing, in accordance with the policies of the TSXV. Capstream has also agreed to pay a \$35,000 corporate finance fee to Canaccord Genuity Corp., in support of the Qualifying Transaction and brokered private placement due diligence process.

Sponsorship of a Qualifying Transaction can be required by the TSXV, unless exempted in accordance with TSXV policies. As Canaccord will be providing a due diligence letter with respect to the brokered financing, sponsorship may be exempted by the TSXV.

The First and the Second Transactions, and the concurrent financing if completed, will constitute Capstream's "**Qualifying Transaction**", as defined in TSXV policies.

The First and the Second Transactions are both arms-length in nature.

In connection with the proposed Qualifying Transaction, Capstream intends to adopt an investment policy to govern its investment activities and investment strategy. A copy of the investment policy will be available for review on the Company's profile on Sedar (www.sedar.com). Upon completion of the Qualifying Transaction, Capstream's primary focus will be to seek superior returns by making investments in information technologies ("IT"). The Company may also invest in projects or in equity, debt or other securities of public or private companies in the high growth technology based business area. Surplus working capital funds may also be invested to generate superior returns.

ON BEHALF OF THE BOARD CAPSTREAM VENTURES INC.

Paul Larkin, CEO
Telephone: (604) 687-7767

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 a capital pool 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.