

NEWS RELEASE

1040426 BC Ltd. Provides Corporate Update

July 11, 2017 - Vancouver, British Columbia, Canada: 1040426 BC Ltd. (the “**Company**” or “**1040426**”) is pleased to announce that Mr. Torbjorn Skulstad has been appointed as **President, Chief Executive Officer and Director of the Company**. Mr. Skulstad holds an MSc degree in business (Siviløkonom) and is an authorized accountant from the Norwegian School of Business (NHH). Mr. Skulstad is a Director of Biofish Holding AS.

Mr. Skulstad was previously with Oceanteam Shipping since 2007 and was Chief Financial Officer as of 2011. During his engagement as Chief Financial Officer, Mr Skulstad spearheaded a reorganization of the Oceanteam’s capital structure by securing the refinancing of the company’s existing bond loan with a 5 year Senior Unsecured USD 92.5 million bond loan in addition to converting warrants into share capital. Through acquisitions of strategic stakes in KCI, DOT Shipping and Oceanwind BV, Mr Skulstad has allowed Oceanteam Shipping ASA to diversify its operations and minimize market risk. In 2015, EUR 15 million and USD 3 million facilities were in place to further support the diversification of the Company. Mr. Skulstad has been an expat for 5 years in Monaco working as a director, international CFO. Prior to joining Oceanteam Shipping, Mr. Skulstad was an accountant for 7 years at BDO Noraudit Bergen AS.

Mr. John Meekison has been appointed as Chief Financial Officer and Director of the Company. Mr. Meekison received his Bachelor of Arts from the University of British Columbia and is a Chartered Professional Accountant (Certified Management Accountant), Certified Investment Manager and Professional Logistician.

Mr. Meekison is a career Chief Financial Officer and investment banker. He is also currently CFO of Segra International Corp. (as of May 2017), a company focused on QA systems in the cannabis sector and Sojourn Ventures Inc. (2010) a mining exploration company. Prior to joining the Company, Mr. Meekison was Director of Capital Markets at Evans & Evans Inc., a financial advisory firm from August 2016 to June 2017. Previously he was the Chief Financial Officer and a founder of iCo Therapeutics Inc. a pharmaceutical development company, from 2005 to 2016. In addition to approximately 12 years of public and private company CFO experience, Mr. Meekison has over 15 years' experience raising equity capital for public and private companies at Haywood Securities, Dlouhy Merchant Capital (now Cantor Fitzgerald) and Loewen Ondaatje McCutcheon.

Mr. Meekison has been a director of a number of public companies including: Natcore Technology Inc. (2008-2017), Pacific Cascade Minerals Inc. (2011-2015), Ravenstar Ventures Inc. (2010-2011) and Sojourn Ventures Inc. 2010 – present).

Mr. Meekison received his Bachelor of Arts from the University of British Columbia and is a Chartered Professional Accountant (Certified Management Accountant), Certified Investment Manager and Professional Logistician.

Mr. Eugene Beukman has been appointed as Corporate Secretary and Director of the Company. Mr. Eugene Beukman has been a corporate consultant to public companies in Canada since January 1994, primarily involved in the acquisition of assets and joint ventures for junior mining, oil and gas, high-tech and pharmaceutical issuers. He is a director and/or senior officer of several reporting companies listed on the TSX Venture Exchange and CSE and is the President/Owner of Pender Street Corporate Consulting Ltd., a company involved in the organization and management of a number of public companies since 2006. He is a core member of the PDAC since 2001.

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Mr. Beukman graduated from Rand University of Johannesburg, South Africa, with a Bachelor of Law Degree and a Bachelor of Law Honors and a Masters Postgraduate Degree. Overall he has over thirty years' experience in the acquisition of assets and joint ventures and in negotiating prospecting and option agreements. Mr. Beukman is an Advocate of the Supreme Court of South Africa.

Mr. Morten Harsvik has been appointed as Director of the Company. Mr. Harsvik is currently the Chief Financial Officer and Owner of Multi Solutions AS, which is mainly engaged within Oil & Gas and the Shipping sector. From 2005 onwards he has worked primarily as an entrepreneur with an emphasis in real estate. From 1999 to 2005 Mr. Harsvik had an independent law practice. After graduating from law school in 1991, he worked 2 years with the Norwegian Maritime Directorate and thereafter 5 years with the P&I Club GARD.

Mr. Harsvik holds a law degree from University of Bergen specialized in Maritime law, with additional studies first at the institute of Maritime law, University of Oslo and thereafter at Institute of Maritime law, University of Southampton.

Mr. Robert Dzisiak has resigned as a Director of the Company. Mr. Christopher Cherry has resigned as Director, President and CFO of the Company.

The Company also wishes to announce that it will change its name to BluKnight Aquafarms Inc. effective July 12, 2017. The CUSIP and ISIN numbers will change to 09642E104 and CA09642E1043 respectively.

On behalf of:

1040426 BC Ltd.

“Torbjorn Skulstad”

Torbjorn Skulstad

President and Chief Executive Officer