



Kona Bay Technologies Inc

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For Immediate Release

TSX Venture: KBY

Kona Bay Technologies Closes Plan of Arrangement

December 13, 2017, Vancouver, British Columbia — Kona Bay Technologies Inc. (“Kona Bay”), Bexar Ventures Inc. (“Bexar”) and Hapuna Ventures Inc. (“Hapuna”) are pleased to announce that they have closed the spin out of Kona Bay’s online advertising business into Hapuna Ventures Inc. (“Hapuna”) and Kona Bay’s software as a service business into Bexar Ventures Inc. (“Bexar”) (the “Arrangement”). Bexar anticipates that it will be listed on the Canadian Securities Exchange in January 2018. Hapuna will continue to be an unlisted reporting issuer until such time as it applies to list on a Canadian stock exchange.

Pursuant to the Arrangement, Kona Bay will distribute 100% of the common shares of Bexar (the “Bexar Shares”) and the common shares of Hapuna (the “Hapuna Shares”) it received under the Arrangement to holders (“Kona Bay Shareholders”) of common shares of Kona Bay (the “Kona Bay Common Shares”) on a pro rata basis, such that Kona Bay Shareholders will receive: (A) one post- Consolidation Bexar Common Share for every two Kona Bay Common Shares, and (B) one post-Consolidation Hapuna Common Share for every three Kona Bay Common Shares, on the effective date of the Arrangement.

In conjunction with closing the Arrangement: (A) Bexar consolidated its common shares on the basis of one post-consolidation common share of Bexar for every two pre-consolidation common shares of Bexar, and (B) Hapuna consolidated its common shares on the basis of one post-consolidation common share of Hapuna for every three pre-consolidation common shares of Hapuna (the “Consolidations”).

The Kona Bay Shareholders as of December 13, 2017 (the “Record Date”) will be entitled to receive Bexar post-Consolidation Common Shares and Hapuna post-Consolidation Common Shares in respect of the Kona Bay Common Shares they hold. No additional action is required by Kona Bay Shareholders in order to receive Bexar post-Consolidation Common Shares and Hapuna post-Consolidation Common Shares, and Kona Bay Shareholders will retain any certificates or direct registration statements representing their Kona Bay Common Shares.

Bexar will provide further guidance at a later date on the timing for any listing of the Bexar Shares on the Canadian Securities Exchange. Listing will be subject to Bexar satisfying the conditions and requirements of the Canadian Securities Exchange.

Full details of the arrangement are set forth in the Company’s management information circular dated March 20, 2017.

For further information, please contact Vincent Wong, President of the Company at investor.relations@konabaytech.com

FORWARD-LOOKING STATEMENTS: Except for statements of historical fact, all statements in this news release – including, without limitation, statements regarding future plans and objectives of Kona Bay Technologies Inc. – are forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements are based on current expectations and analyses, including the effects of anticipated product, service, and distribution changes and the potential benefits of such efforts and activities on the Company's results of operations in future periods. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.

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