

POUNDER VENTURE CAPITAL CORP. PROVIDES UPDATE ON QUALIFYING TRANSACTION WITH POOL SAFE INC.

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CALGARY, December 6, 2016 /CNW/ - Pounder Venture Capital Corp. (NEX: PDR.H) ("**Pounder**" or the "**Corporation**"), a capital pool company listed on the NEX board (the "**NEX**") of the TSX Venture Exchange (the "**Exchange**"), is pleased to provide an update on its previously-announced proposed business combination with Pool Safe Inc. ("**Pool Safe**"). The proposed transaction is intended to constitute an arm's length qualifying transaction (the "**Qualifying Transaction**") for Pounder, as defined in Policy 2.4 of the Exchange. Upon completion of the Qualifying Transaction and the Private Placement Financing (as defined and described below), it is expected that Pounder will be an Industrial Issuer, subject to Exchange approval.

Amalgamation Agreement

The Corporation and Pool Safe have entered into an amalgamation agreement dated as of November 29, 2016 (the "**Amalgamation Agreement**") pursuant to which Pool Safe will amalgamate (the "**Amalgamation**") with a newly formed subsidiary of Pounder ("**AcquisitionCo**"). It is a condition of the Amalgamation that Pounder will undertake a consolidation of its issued and outstanding common shares (the "**Consolidation**") on the basis of one (1) post-consolidation common share for a minimum of every four (4) pre-consolidation common shares (each a "**Post-Consolidation Pounder Share**"). The Consolidation is subject to approval from the shareholders of Pounder, to be sought at the annual general and special meeting of shareholders, currently scheduled for December 19, 2016. In accordance with the terms of the Amalgamation Agreement, Pounder will purchase all of the issued and outstanding common shares of Pool Safe (each a "**Pool Safe Share**") on the basis of 28 Post-Consolidation Pounder Shares for each one Pool Safe share outstanding immediately prior to the Amalgamation. In addition, Pounder will issue warrants exercisable to purchase Post-Consolidation Pounder Shares (each a "**Pounder Warrant**") in exchange for Pool Safe Warrants (as defined below) on the basis of 28 Pounder Warrants for each Pool Safe Warrant outstanding immediately prior to the Amalgamation. Each Pounder Warrant will be exercisable at \$0.178 for a period of two years from the date of issuance of the original Pool Safe Warrant.

The completion of the Amalgamation is subject to a number of conditions, including but not limited to: (i) completion of the Consolidation; (ii) completion of the Private Placement Financing (as defined below); (iii) obtaining the approval of the Exchange for the Qualifying Transaction; (iv) the Exchange waiving the sponsorship requirement in connection with the Qualifying Transaction; (v) there being no prohibition at law against the parties from proceeding with or completing the Amalgamation; and (vi) there being no material adverse change in either Pounder or Pool Safe's respective businesses. A copy of the Amalgamation Agreement will be available under Pounder's profile at www.SEDAR.com.

Private Placement Financing of Subscription Receipts

Pool Safe and Pounder have also entered into an engagement letter with Echelon Wealth Partners Inc. ("**Echelon**") whereby Echelon has agreed to act as agent, along with other registered dealers (collectively, the "**Agents**"), to raise, on a commercially reasonable basis, a minimum of 394,322 subscription receipts ("**Subscription Receipts**") for aggregate minimum gross proceeds of \$1,250,000 (the "**Private Placement Financing**"). Upon the satisfaction of certain conditions (the "**Escrow Release Conditions**") described below, each Subscription Receipt shall be automatically exchanged, without any further action by the holder of such Subscription Receipt, and for no additional consideration, for one Pool Safe Share and one half of one warrant to purchase one Pool Safe Share at a price of \$5,00 for a period of two years from the date of satisfaction of the Escrow Release Conditions ("**Pool Safe Warrants**"). In the event that, after completion of the Qualifying Transaction, the closing

price (or closing bid price on days when there are no trades) of the Pounder Shares on the Exchange is at least \$6.00 for a minimum of 20 consecutive trading days, the Corporation may, in its sole discretion, issue a press release and provide written notice to warrant holders that the exercise period has been reduced to 30 days following the date of dissemination of the press release. The Escrow Release Conditions include: (i) the completion of all conditions precedent to the Amalgamation contained in the Amalgamation Agreement; (ii) completion of the conditions precedent to the amalgamation contained in the agency agreement to be entered into among Pool Safe, Pounder and the Agents with respect to the Private Placement Financing (the “**Agency Agreement**”); (iii) the receipt of all required shareholder and regulatory approvals and third party consents required for the Amalgamation; (iv) the conditional acceptance of the Exchange of the listing of the Pounder Shares to be issued or issuable upon the exchange of the Pool Safe Shares pursuant to the Amalgamation, including the Post-Consolidation Pounder Shares issuable upon the exercise of the Pool Safe Warrants, subject only to the satisfaction of customary listing conditions; (v) Pool Safe and Pounder not being in material breach or default of their respective covenants or obligations contained in the Agency Agreement, except those breaches or defaults that have been waived in writing by Echelon, on behalf of the Agents; and (vi) receipt of notice by the subscription receipt agent from the Corporation, Pounder and Echelon, on its own behalf and on behalf of the Agents, acting reasonably, confirming that all regulatory and other approvals required in respect of the Qualifying Transaction, the Amalgamation and the Private Placement Financing have been obtained and that the Escrow Release Conditions have been satisfied. In the event that the Escrow Release Conditions are not satisfied on or before 5:00 p.m. (Toronto time) on the date that is 90 days after closing of the Private Placement Financing (the “**Escrow Release Deadline**”), the Subscription Receipts will immediately be cancelled and of no further force or effect, and the escrowed funds will be returned to the holders of Subscription Receipts.

In consideration for the services to be rendered, on the earlier of (i) the date the Escrow Release Conditions are satisfied; and (ii) the Escrow Release Deadline, Pool Safe has agreed to pay the Agents the aggregate of: (i) 7% of the gross proceeds of subscriptions completed by subscribers introduced to the Private Placement Financing by the Agents, and 2% of the gross proceeds of subscriptions completed by subscribers introduced to the Private Placement Financing by Pool Safe or Pounder. In addition, Pool Safe will issue broker warrants to the Agents, which shall be exercisable into that number of Subscription Receipts (or, upon exchange of the Subscription Receipts, the Pool Safe Shares and Pool Safe Warrants issuable upon exercise of the Subscription Receipts) as is equal to, in the aggregate (i) 7% of the number of Subscription Receipts subscribed for by subscribers introduced to the Private Placement Financing by the Agents, and (ii) 2% of the number of Subscription Receipts subscribed for by subscribers introduced to the Offering by Pool Safe or Pounder at a price of \$3.17 per Subscription Receipt (or, if exchanged, the equivalent underlying Pool Safe Shares and Pool Safe Warrants) for a period of 24 months from the closing date of the Private Placement Financing. The description of the Subscription Receipts and the underlying securities described herein is a summary only and is subject to the provisions of the Agency Agreement and the Subscription Receipt Agreement. Copies of the Agency Agreement and the Subscription Receipt Agreement will be available under Pounder’s profile at www.SEDAR.com.

Further Information

Pounder has filed a filing statement disclosing information related to the Qualifying Transaction and a copy of the filing statement can be found under Pounder’s profile at www.SEDAR.com.

The Pounder Shares are currently halted from trading on the NEX and will remain halted until such time as determined by the Exchange, which, depending on the policies of the Exchange, may or may not occur until the completion of the Qualifying Transaction.

All information contained in this news release with respect to Pool Safe and Pounder was supplied by the parties respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

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 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.

Neither the TSX Venture Exchange, Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has in any way passed upon the merits of the Transaction and neither of the foregoing entities has in any way approved or disapproved of the contents of this press release.

Cautionary 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" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Corporation'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 intention of the parties to complete the transactions contemplated by the Amalgamation Agreement, the completion of the Private Placement Financing and Amalgamation, and listing as an Industrial Issuer. 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 the Corporation. The material factors and assumptions include the parties to the Amalgamation Agreement being able to obtain the necessary director, shareholder and regulatory approvals; Exchange policies not changing; and completion of satisfactory due diligence. 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, the failure to obtain the required directors' and shareholders' approval to the Qualifying Transaction; changes in tax laws, general economic and business conditions; market conditions as they affect the ability to complete the Private Placement Financing; and changes in regulation. The Corporation 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 the Corporation 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 of the securities in the United States. 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 any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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