

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 15, 2016) - [Kaizen Discovery Inc.](#) (TSX VENTURE:KZD) announced today that it has agreed with its majority shareholder, HPX TechCo Inc. (HPX), to convert the full amount of principal and interest owing on a loan facility provided to Kaizen by HPX, totaling approximately C\$5.07 million, into common shares of Kaizen at a conversion price of C\$0.1575 per share.

As a result of the conversion, the amount owing on the loan facility will be reduced to zero and Kaizen will issue 32,210,460 common shares to HPX, taking HPX's ownership in Kaizen from its current level of 60.7% to 66.8%. The conversion price of C\$0.1575 per share represents a 25% discount to Kaizen's closing share price of C\$0.21 on September 15, 2016.

The loan facility was established in 2013 as part of the reverse take-over transaction with HPX. Kaizen had previously received the full C\$5.0 million principal amount available under the loan facility. The HPX loan facility will remain in place following the conversion and will remain available to be drawn by Kaizen in the future. The conversion of the outstanding principal and interest on the HPX loan facility into common shares of Kaizen is subject to approval of the TSX Venture Exchange.

Details of the HPX loan facility are summarized in Kaizen's December 22, 2015 news release available at www.kaizendiscovery.com or www.sedar.com.

More information on Kaizen is available at www.kaizendiscovery.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FORWARD-LOOKING STATEMENTS

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in both Kaizen's periodic filings with Canadian securities regulators. When used in this news release, words such as "believe", "will", "could", "plan", "estimate", "expect", "intend", "may", "potential", "should," and similar expressions, are forward-looking statements. Information provided in this document is necessarily summarized and may not contain all available material information.

Although Kaizen has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, and Kaizen disclaims any intention or obligation to update or revise such information, except as required by applicable law, and Kaizen does not assume any liability for disclosure relating to any other company herein.

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