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## **GEONOVUS ENTERS INTO BINDING LETTER OF INTENT TO ACQUIRE VARIOUS INTERESTS IN UP TO 6 FEATURE FILM PROJECTS**

### **BEGINS MOVE INTO VIRTUAL REALITY SECTOR**

**February 9, 2016, VANCOUVER, B.C. – GEONOVUS MEDIA CORP. (GNM:CSE) (GMINF:USA) (“GeoNovus”)** announces that it has signed a binding letter of intent with Triton Films Inc. (“Triton”) for options to acquire percentages of Triton’s interest in up to 6 feature film projects (the “LOI”).

The LOI showcases one of GeoNovus’ new corporate strategies where it intends to advance and package portfolio projects with carefully selected A-list talent as well as international financial, production, sales and distribution partners.

The information below provides a summary of the terms of the LOI and should be read alongside the full LOI, a copy of which can be found on GeoNovus’ SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### **The Options**

Pursuant to the LOI, GeoNovus has the option to acquire varying percentages of Triton’s interest in up to 6 feature film projects (the “Options”). The percentage of Triton’s interest that GeoNovus may acquire for each of the feature film projects is between 37.5% and 50%. Triton will retain creative and strategic control over the development and distribution of the films but Triton will consult with GeoNovus on all matters regarding the production, licensing, sale and distribution of the films.

GeoNovus has agreed that it will exercise 5 of the Options by making the payments set out in the table below to Triton within 30 days’ of executing the LOI to acquire the following percentages of Triton’s interest in 5 films:

Payment Value (CAD)	Form of Payment	Percentage of Triton's Interest In A Feature Film Project Acquired by GeoNovus from Triton
\$14,000	Common Shares	40%
\$13,500	Common Shares	12.5%
\$10,000	Common Shares or cash	25%
\$17,500	Cash	17.5%
\$25,000	Common Shares	12.5%

With the exception of one of the films, for which the full purchase price is \$35,000 payable by the issuance of common shares of GeoNovus to Triton, the purchase price to exercise each of the Options is payable in increments and exercisable upon the achievement of certain milestones. If GeoNovus fully exercises any of the Options, GeoNovus will provide bonus payments to Triton upon the occurrence of certain milestones.

*(For more information on Triton's ownership and the full option terms associated with each film project, please review the full LOI on GeoNovus' SEDAR profile at [www.sedar.com](http://www.sedar.com)).*

### **Other Terms**

GeoNovus has also secured a right of first refusal to purchase Triton's remaining interest in any of the 6 feature films should Triton wish to sell its interest at any time to a 3<sup>rd</sup> party that does not include a partnering film financier, production studio, sales or distribution agent, or similar.

If GeoNovus does not complete a financing for minimum net proceeds of CAD\$250,000 on or before July 15, 2016, GeoNovus will issue to Triton the number of common shares that is equal to CAD\$25,000. Triton also reserves the right to terminate the LOI if GeoNovus does not secure the minimum amount of financing. If Triton decides to terminate the LOI, Triton will return to GeoNovus all shares issued to it pursuant to the LOI. Of the minimum net proceeds of CAD\$250,000, GeoNovus has agreed to commit at least CAD\$150,000 towards the exercise of the Options or towards otherwise providing financing for the advancement and development of the films which are the subject of the Options.

### **Related Party Transaction**

Triton is owned by Gabriel Napora, a director of GeoNovus. Therefore, the LOI constitutes a related party transaction. GeoNovus will obtain minority shareholder approval if required to do by *Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions*.

The initial exercise of the Options will not require shareholder approval but if GeoNovus is required to issue securities or pay a sum of money that would result

in the fair market value of the transaction being more than 25% of GeoNovus' market capitalization, then GeoNovus will be required to obtain approval from the majority of its minority shareholders. There can be no assurance that the majority of the minority shareholders will approve the transaction.

The completion of the acquisition of Triton's interest in the feature film projects is subject to a number of conditions, including the payment of cash and the issuance of common shares upon the occurrence of certain milestones. GeoNovus is not obliged to acquire the percentages of Triton's interest in the 6 feature film projects outlined above. Furthermore, there is no guarantee that any of the feature film projects will be completed.

### **Bonus Success Fee**

GeoNovus has agreed to pay McMillan Strategies Inc. a bonus success fee equal to 5% of the value of each of the options which are exercised pursuant to the LOI. The bonus success fee is payable by GeoNovus to McMillan Strategies on a pro-rata basis as each portion of each of the Options is exercised by GeoNovus. GeoNovus will make the payments either in cash or by issuing common shares.

### **Film Production and Joint Venture Partnering Strategy**

Specifically, GeoNovus' film-focused initiatives will initially be led by two of its directors, Gabriel Napora and Tim Marlowe. It is anticipated that GeoNovus' technical and operational management team will continue to grow as it advances these projects.

### **About Gabriel Napora**

Gabriel Napora has been involved in the film production industry for over 17 years. He started his career producing television commercials for national and then international clients. He then established his own company: Triton Films Inc. Triton has helped to develop the careers of world-renowned talent including Neill Blomkamp (Director of District 9) and Trent Opaloch (Cinematographer of Captain America Winter Soldier), as well as internationally known commercial directors. At one point, Triton had also become one of the biggest music video production companies in Western Canada and one of the top commercial houses, focusing on stylized projects with significant visual effects. Mr. Napora then segued into feature films and currently has active projects with Lions Gate Entertainment, Paramount and Warner Brothers. Gabriel also co-owns TIYABELLA Visual Effects, an Indian visual effects company that has worked on feature films with many of the world's most well-known production studios.

### **About Tim Marlowe**

Tim Marlowe has been involved in the film business since his early years. He has worked on over 40 motion pictures, nine of which he produced and in 2014

was the Executive Producer for “The Lady in Number 6” which won him an Academy Award®. Mr. Marlowe has a solid network of diversified contacts in the film industry and is currently advancing a slate of 9 feature films with well established Hollywood partners for production between 2016-2018.

### **Virtual Reality Projects**

With these acquisitions, the Company also announces it is now moving into the virtual reality business, slating several new virtual reality shoots based on several of these acquisitions, as well as others.

The Company believes the virtual reality business is now entering a breakout phase as tech giants Samsung, Facebook, Microsoft, Alphabet, and Apple are all invested in the space, each distributing their own proprietary or affiliated headsets for virtual reality gaming, experiential, and entertainment content consumption.

CCS Insight, a communications market, analysis, and intelligence firm suggests in their recently published report entitled *Augmented and Virtual Reality Device Forecast, 2015-2019* that the amount of AR and VR devices sold will rise from 2.5 million in 2016 to 24 million in 2018, forecasting that the market will be worth more than \$4 billion.\* Meanwhile, Tech M&A advisory firm Digi-Capital estimates that the virtual reality market will grow from practically nothing today to \$30 billion by 2020. The firm expects that growth to be fueled by VR games, movies, and experiences.\*\*

\*(<http://www.forbes.com/sites/paullamkin/2015/06/18/virtual-reality-devices-4-billion-business-by-2018/#676d4fd6fd92>)

\*\*(<http://www.fool.com/investing/general/2016/02/01/virtual-reality-in-2016-4-stats-everyone-should-know.aspx>)

Given these projections, management believes a significant opportunity exists to move aggressively into this space; to produce its own proprietary content, partner with other interested parties in creating co-branded content, fulfill 3<sup>rd</sup> party production service requests for other independent parties seeking to enter into the space, and identifying other strategic partnerships and acquisitions to enhance the Company’s virtual reality offerings.

### **Chad McMillan, GeoNovus’ Senior Strategic Advisor comments that:**

“As a listed public company, GeoNovus has a unique opportunity and all the core components required to advance a professional and sophisticated film and media production, development and distribution venture; the management team has over 50 years of combined experience in the film industry, includes a legitimate network of well known and proven film industry stakeholders, an Academy Award® acknowledging the caliber of work produced, and now an initial portfolio

of feature film projects ready to package, develop and distribute in collaboration with its industry partners.

By optioning promising projects from up-and-coming talent, as well as generating our own projects in house, GeoNovus will build a respectable portfolio of production ready assets to develop and distribute worldwide. Due to the availability of grants and incentive tax credits for the Canadian film industry as well as the current exchange rate of the US dollar in Canadian dollar terms, management believes the time is right to spearhead a new Canadian founded film production venture, not to mention participate in other emerging opportunities that exist for the company in exciting areas such as virtual reality.”

**Triton President and GeoNovus Director Gabriel Napora comments:**

“I'm very excited to be part of creating Geonovus Media into a world class production entity. This deal reaffirms the commitment we have to each other to create incredible content for Hollywood Studios and broadcasters. I believe there is significant potential for all of us here.”

**CEO Colin Wiebe comments:**

“I'm thrilled that after a long period of restructuring and negotiation, the Company has a clear vision and a powerful strategy to move forward. I'm thankful to Chad McMillan for his hard work in helping to develop and execute The Company's overall strategy, especially in the emerging Virtual Reality sector. The variety of high-quality assets available through the Triton relationship will help position the Company with a unique offering to a virtual reality community recently cracked open by several of the major tech giants like Facebook, Google, Samsung, and Apple, among others.

With interest in this sector moving swiftly, this timely agreement with Triton Films is a significant step towards advancing the Company's vision to create cutting edge proprietary and 3<sup>rd</sup> party virtual reality content. It is with absolute certainty that a race to serve this rabid market is emerging and the Company intends to package, produce, and promote products and services that are now growing in demand.

At the same time, it is also exciting to know that Canadians are emerging industry leaders in this field with Vancouver becoming recognized as a global hot bed for this new technology. I'm optimistic that while many other core Canadian sectors may be in the red, the entertainment business is thriving and GNM may now just be in the right place at the right time.”

**About GeoNovus**

GeoNovus is a diversified digital media production company, focused on developing high impact film, entertainment, and virtual reality products in

collaboration with its growing network of sophisticated film industry partners and stakeholders.

For more information or to explore working with us, please contact us at 778.892.9695, email [info@geonovusmedia.com](mailto:info@geonovusmedia.com) or visit [www.geonovusmedia.com](http://www.geonovusmedia.com).

ON BEHALF OF THE BOARD,

Colin Wiebe, CEO

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*The Canadian Securities Exchange has neither approved nor disapproved the contents of this press release. This press release may include 'forward-looking information' within the meaning of Canadian securities legislation, concerning the business of GeoNovus. The forward looking information is based on certain key expectations and assumptions made by GeoNovus' management. Although GeoNovus believes that the expectations and assumptions on which such forward- looking information is based are reasonable, undue reliance should not be placed on the forward- looking information because GeoNovus can give no assurance that it will prove to be correct. These forward-looking statements are made as of the date of this press release, and GeoNovus disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.*