



Gamesquare Esports Inc. Completes RTO; Set to Commence Trading on the Canadian Securities Exchange

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October 8, 2020, Toronto, Ontario – Gamesquare Esports Inc. (formerly Magnolia Colombia Ltd.) (“**Gamesquare**” or the “**Company**”) is pleased to announce that it expects to commence trading on the Canadian Securities Exchange (“**CSE**”) today under the ticker symbol “**GSQ**”. This follows the successful acquisition of Code Red Esports Ltd. (“**Code Red**”), *the authentic esports agency*, and the successful completion of its previously announced business combination pursuant to a reverse takeover transaction (“**RTO Transaction**”) with Magnolia Colombia Ltd. (“**Magnolia**”). Gamesquare is focused on the high growth esports market by signing top-tier talent in the influencer, on-screen talent and player categories as well as adding new companies to its roster of global brand relationships. Additionally, Gamesquare continues to build its pipeline of potential acquisitions to accelerate growth and scale with a focus on companies with a proven track record of high growth and profitability.

“This is an exciting time in esports as viewership has never been higher and the attention that the industry is attracting from major brands is incredible,” said Kevin Wright, CEO of Gamesquare. “Code Red has built a leading talent agency and esports is in their blood. I see tremendous potential within the agency business by expanding relationships with top talent and with leading global brands trying to reach an important group of consumers that are loyal to authentic gaming and non-gaming brands. Furthermore, there is a tremendous opportunity to acquire companies serving the esports market that we believe can benefit greatly from access to capital as part of the Gamesquare group of companies.”

Completion of RTO Transaction, Share Consolidation and Name Change

The RTO Transaction was structured as a three-cornered amalgamation, pursuant to which 2631443 Ontario Inc. (“**Subco**”), a wholly-owned subsidiary of the Company, and Gamesquare Inc. amalgamated (the “**Amalgamation**”) to form a newly amalgamated company (“**Amalco**”). Prior to the completion of the Amalgamation, the existing common shares in the capital of the Company (the “**Magnolia Shares**”) were consolidated on a 5.8 to 1 basis resulting in 9,996,050 Magnolia Shares outstanding post consolidation. Pursuant to the Amalgamation, former holders of common shares of Gamesquare Inc. (the “**Target Shares**”) received one post-consolidation share of the Company for each Target Share held and Amalco became a wholly-owned subsidiary of the Company.

Following completion of the Amalgamation, the Company is the parent and the sole shareholder of Amalco and thus will indirectly carry on the business of Gamesquare Inc. under the new name “Gamesquare Esports Inc.” Further, management and the Board of Directors of the Company changed to consist of persons that have experience in the new business to be undertaken.

Private Placement Closing

Immediately prior to completion of the RTO Transaction, the Company completed a private placement financing for aggregate gross proceeds of C\$3,008,225, consisting of the sale of 12,032,900 units (each a “**Unit**”) at a price of C\$0.25 per Unit (the “**Financing**”). Each Unit consisted of one (1) post-consolidation common share in the capital of the Company (a “**Common Share**”) and one (1) Common Share purchase warrant (a “**Warrant**”). Each Warrant will be exercisable for two years to purchase an additional Common Share at a price of C\$0.40. Proceeds from the Financing are expected to be used as disclosed in the listing statement of the Company dated September 30, 2020 (the “**Listing Statement**”), which is available under the Company’s SEDAR profile at www.sedar.com.

In connection with the Financing, the Company paid to PI Financial, an arm's length party to the Company, finder's fees comprised of (i) \$105,000 and (ii) 420,000 finder warrants (the "**Finder Warrants**"). The Finder Warrants will be exercisable for a period of two years from the date of issuance at a price of \$0.40 per Common Share.

Further details regarding the Financing are contained in the Listing Statement and in the Company's news release dated August 6, 2020, both of which have been filed on SEDAR at www.sedar.com.

Following closing of the RTO Transaction, share consolidation and private placement financing, the Company has 51,328,911 common shares issued and outstanding.

Delisting from the TSX-V and Listing on the Canadian Securities Exchange

The Common Shares were delisted from the TSX Venture Exchange ("**TSX-V**") effective September 30, 2020. The Common Shares are expected to commence trading on the CSE on or about Thursday, October 8, 2020 under the symbol "GSQ".

Appointment of New Directors

The Company wishes to announce the resignations of Neil Said and Chris Eben as directors of the Company effective as of today's date. Effective today, the directors of the Company who will hold office until the next annual general meeting of the shareholders of the Company are Maurice Colson, Craig Armitage and Kevin Wright.

Appointment of New Officers

Effective today, Kevin Wright has been appointed Chief Executive Officer, Paul Bozoki has been appointed Chief Financial Officer, and Neil Said has been appointed Corporate Secretary and will act as General Counsel.

Change in Fiscal Year End

Pursuant to the RTO Transaction, the fiscal year-end of the Company has changed to November 30, 2020. As such, the Company's next financial reporting period will be full year results for the period ending November 30, 2020.

New Private Placement

The Company also intends to complete a small non-brokered private placement financing of up to 1,000,000 units (each, a "**New Unit**") at a price of \$0.25 per New Unit for gross proceeds of up to \$250,000 for subscribers who were not able to participate in the oversubscribed RTO Transaction financing (the "**Offering**"). Each New Unit will consist of one Common Share and one Common Share purchase warrant (each, a "**New Warrant**") entitling the holder to acquire one additional Common Share at an exercise price of \$0.40 for a period of 24 months from issuance. The Company intends to use the net proceeds of the Offering for general corporate purposes.

All securities issued in connection with the Offering will be subject to a statutory hold period of four-months and one day. The Offering is expected to close on or about October 30, 2020. Completion of the Offering is subject to a number of conditions, including without limitation, receipt of approval from the CSE.

About Gamesquare Esports Inc.

Gamesquare Esports Inc. is an international esports company headquartered in Toronto, Canada. The Company is seeking to acquire additional assets and entities serving the esports market and, more broadly, in sports and entertainment. Gamesquare's acquisition of Code Red, an esports talent agency, provided an initial foothold in Europe through its UK operations. Code Red represents leading on-screen talent, players and influencers and works with leading global brands to develop influencer campaigns and esports marketing strategies.

For further information, please contact Kevin Wright, CEO:

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Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the business and operations of Gamesquare, the Company's ability to execute its business plan, the impact of the RTO Transaction on the Company and its stakeholders, the timing of the listing of the Common Shares on the CSE, the use of proceeds from the financing, and other statements with respect to the RTO Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, Gamesquare assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.