

PowerBand Solutions Inc. Announces:

- **Closing of a First Tranche of its Previously Announced Private Placement with Investor Group Led by J. Bryan Hunt Jr., Joe Poulin and Pierre Lassonde;**
- **Loan Agreement;**
- **Shares for Debt Transaction;**
- **Management and Board Changes; and**
- **Potential New Control Person**

TORONTO, Ontario (June 22, 2022) — PowerBand Solutions Inc. (TSXV: PBX) (OTCQB: PWWBF) (“**PowerBand**” “**PBX**” or the “**Company**”), a comprehensive e-commerce solution transforming the online experience to sell, trade, lease, and finance vehicles, announces the closing of a first tranche (the “**First Tranche**”) of its previously announced private placement financing (the “**Financing**”), announced on May 10, 2022. PowerBand today issued 62,037,560 units (the “**Units**”) at a subscription price of CAD \$0.30 per unit for gross proceeds of CAD \$18,611,268 (approximately US \$14,330,676). Each Unit consists of one common share of the Company and one warrant, each warrant exercisable for one additional common share at an exercise price of CAD \$0.40 for a period of 60 months.

PowerBand is pleased to announce that it has attracted a third strategic shareholder, Pierre Lassonde, to the previously disclosed strategic investor group of J. Bryan Hunt Jr. and Joe Poulin, further bolstering shareholder value. Mr. Lassonde has extensive experience investing in early-stage growth companies and will provide significant value to the Company as it continues on its growth plan.

The Company intends that the aggregate size of the Financing will be for gross proceeds of CAD\$23,806,308 (approximately US \$18,330,852). The Company expects that a second tranche closing for the balance of the subscription proceeds will be completed in approximately 10 calendar days, subject to regulatory approval.

Proceeds from the Financing will be used for general working capital purposes, product development, marketing and advertising and other strategic growth initiatives, the repayment of certain previously disclosed debt owing to Kelly Jennings as outlined below, and transaction fees. The securities issued pursuant to the Financing will be subject to a four-month hold period from their date of issuance.

Loan and Shares for Debt

On May 4, 2022, D2D Auto Auction LLC, the joint venture owned 50% by the Company and 50% by J Bryan Hunt Jr. advanced US\$3,519,711 to the Company as a bridge loan (the “**Loan**”). The Loan was secured against the assets of the Company, bears interest at the rate of prime, and is repayable upon closing of a shares for debt transaction (the “**Debt Settlement**”), to occur concurrently with the closing of the First Tranche. The proceeds of the Loan were used to make the final purchase price installment on the Drivrz Financial acquisition, and for general working capital purposes. Mr. Hunt funded the Loan and is due to be repaid upon closing of the Financing. The Loan is being settled today by way of the Debt Settlement. The obligations under the loan, being CAD \$4,534,092, are being settled by the issuance of 15,113,640 Units at a deemed price of \$0.30 per Unit, such Units having the same terms and conditions as the Units being issued in the First Tranche.

Management and Board Changes

The Company also announces the appointment of Darrin Swenson as President and CEO, thereby removing “Interim” from his title, and the appointment of J. Bryan Hunt Jr. as Chairman of the Board. Darrin Swenson, CEO and Director of PowerBand Solutions commented “With this recapitalization, PowerBand can focus on completing its expense restructuring plan by the end of June 2022. We’re working diligently on a new comprehensive strategic plan we expect to unveil to stakeholders by the end of the third quarter of 2022 and will provide further updates when appropriate”.

Powerband also announces that Jon Lamb, who served as the President and CEO of Drivrz Financial LLC, has left the Company for personal reasons. The Company would like to thank Mr. Lamb for his dedication and stewardship and wishes him well in his future endeavours.

Kelly Jennings, the Company’s former Chairman, President and CEO, has resigned, and signed a separation agreement providing for the repayment to Mr. Jennings by the Company of CAD\$2 million of his loans, with the balance of CAD\$2.6 million being repayable within 18 months, subject to Mr. Jennings complying with certain non-compete and confidentiality clauses in the Separation Agreement. These loans are non-interest bearing and were previously disclosed by the Company.

Potential New Control Person

The subscription for Units by Mr. Hunt in the First Tranche and the issuance of the Units to Mr. Hunt pursuant to the Debt Settlement, assuming the exercise of all warrants, will result in him becoming a new “control person” of the Company, as that term is defined by the policies of the TSX Venture Exchange. Following closing of the First Tranche and the Debt Settlement, Mr. Hunt controls 52,646,800 shares of the Company, representing 18.88% on an undiluted basis, and 29.49% on a partially diluted basis. The Company intends to seek shareholder approval for Mr. Hunt to become a control person of the Company. In the meantime, Mr. Hunt has provided an undertaking to the Exchange that he will not exercise or convert any convertible securities which would result in him beneficially owning or controlling, directly or indirectly, more than 19.99% or more the issued and outstanding common shares of the Company.

About PowerBand Solutions, Inc.

PowerBand Solutions Inc., listed on the TSX Venture Exchange and the OTCQB markets, is a fintech provider disrupting the automotive industry. PowerBand’s integrated, cloud-based transaction platform facilitates transactions amongst consumers, dealers, funders, and manufacturers (OEMs). It enables them to buy, sell, trade, finance, and lease new and used, electric and non-electric vehicles, on any phone, tablet or PC connected to the internet. PowerBand’s transaction platform - being trademarked under *DRIVRZ™* - is being made available across North American and global markets.

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Early Warning Report

Hunt Investment Trust No. 2 (the "**Acquiror**"), a family trust controlled by J. Bryan Hunt Jr., acquired an aggregate of 41,930,000 Units of the Company pursuant to the Financing and the Debt Settlement. Mr. Hunt previously held 10,716,800 common shares of the Company, or 5.31% of the issued and outstanding common shares of the Company. Following closing of the First Tranche and the Debt Settlement, both parties together controls 52,646,800 shares of the Company representing 18.88% on an undiluted basis, and 29.49% on a partially diluted basis (which partially diluted calculation includes the exercise of all the warrants held by the Acquiror).

The Acquiror acquired the Units pursuant to (i) a subscription agreement dated of even date herewith and for total proceeds of CAD\$ 8,044,908 and (ii) the Debt Settlement (settling obligations of CAD\$4,534,092).

The Units were acquired by the Acquiror for investment purposes. Each of the Acquiror and Mr. Hunt have a long-term view of the Company and may acquire additional securities of the Company either on the open market or through private acquisitions, or sell securities on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors.

A copy of the Acquiror's early warning report will be filed on the Issuer's SEDAR profile at www.sedar.com.

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

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements relating to the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of the Company, the second tranche closing of the Financing, the use of proceeds of the Financing, matters relating to shareholder approval and the Company's strategic plan, are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. As a result, we cannot guarantee that any forward-looking statement will materialize, and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as at the date of this news release, and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by Canadian securities law.

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 unless registered under the U.S. Securities Act and applicable state securities laws, unless an exemption from such registration is available.