

Movarie Capital Ltd.

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MOVARIE CAPITAL LTD. ANNOUNCES PROPOSED RTO TRANSACTION WITH CANADA YOGA INC.

Vancouver, British Columbia: Movarie Capital Ltd. (the “**Company**” or “**MOV**”) (TSX.V: MOV) is pleased to announce that it has entered into a non-binding letter of intent (the “**LOI**”) dated December 5, 2016, which sets out the basic terms and conditions for the acquisition by MOV of all of the issued and outstanding securities of Canada Yoga Inc. (“**CYI**” and the “**RTO**”), as further described below. The RTO will constitute an Arm’s Length Transaction and Reverse Takeover of MOV, as defined in the policies of the TSX Venture Exchange (the “**Exchange**”).

Upon successful completion of the RTO, CYI will continue operations as a yoga studio company. Prior to the completion of the RTO, CYI intends to change its name to “Wellness Lifestyles Inc.” This is the name the consolidated group intends to use post-RTO.

Information concerning Canada Yoga Inc.

CYI is a company existing under the laws of British Columbia, which aims to be a leading company in franchised yoga studios across North America. The company currently operates a studio in North Vancouver, BC under the name “Chopra Yoga Center”. The principal shareholders of CYI are presently Rob Sali (a resident of Singapore), Houra Moslehi (a resident of British Columbia) and Hamed Shahbazi (a resident of British Columbia). This may change as a result of conversion of CYI debt to equity.

The company plans to offer franchised yoga studios under its Chopra Yoga Center brand. This is in combination with retail and online sales for other brands, such as those held by MOV. CYI, which will operate as “Wellness Lifestyles Inc”, upon the completion of the RTO, further plans to conduct additional non-yoga related acquisitions in the Health & Wellness space with a view to developing a synergistic portfolio of brands that drive maximum shareholder value.

The following sets out selected unaudited financial information for CYI as at and for the periods set out below:

	As at Dec. 31, 2015 (\$, unaudited)	As at Dec. 31, 2014
Cash	451,348	21,366
Total Assets	1,109,477	886,981
Current Liabilities	2,910,543	2,250,642
	Year Ended Dec. 31, 2015 (\$, unaudited)	Year Ended Dec. 31, 2014 (\$, unaudited)
Total Revenue	410,616	834,310
Cost of Goods	10,163	45,152

Gross Profit	400,453	789,158
Total Expenses	833,227	1,369,198
Net Loss	(432,774)	(580,057)

Comprehensive financial information of CYI including audited financial information for the years ended December 31, 2015 and 2014 in addition to unaudited interim financial information for the three and nine months ended September 30, 2016 and 2015 will be included by MOV in its filing statement with respect to the RTO that will be publicly available on SEDAR in due course.

Information concerning Movarie Capital Ltd.

MOV is a company existing under the laws of British Columbia, the common shares of which are listed on the Exchange, and is a reporting issuer in British Columbia. MOV was formally a capital pool company listed on the Exchange prior to closing its Qualifying Transaction by acquiring Shakti Yoga Apparel LLC, a Delaware limited liability company ("**Shakti**") on March 23, 2016.

Shakti provides high quality Brazilian designed and manufactured active wear for the yoga, dance, fitness and life markets. Their products are made to enhance the lives of those who are passionate about yoga, fitness, health and happiness.

Shakti products are designed to offer performance, fit and comfort while incorporating both function and style. Shakti offers a comprehensive line of apparel mainly for women including leggings, capri pants, shorts and tops designed for activities such as yoga, pole fitness, walking, running, hiking and dancing. Shakti also offers a selection of men's pants and shorts and a limited selection of tops and shorts for young children. Shakti's branded apparel is principally sold through 950 wholesale accounts located in Canada, the United States, Europe, Asia, Australia and New Zealand. In addition, Shakti sells worldwide to individuals via its website www.shaktiaw.com and through a small team of sales representatives via trunk shows and pop up shops.

MOV currently has the following securities issued and outstanding: (i) 12,219,950 common shares (each, a "**MOV Share**"); and (ii) 400,000 directors options, and 187,455 agent options, each of which is exercisable into one MOV Share at a price of \$0.15 per MOV Share. There are no other options, warrants or other convertible securities to acquire securities of MOV outstanding. Further information concerning MOV can be found under MOV's profile on SEDAR.

Information concerning the Proposed Transaction

MOV and CYI have entered into the LOI setting out certain terms and conditions pursuant to which the proposed RTO will be completed. The terms set out in the LOI are non-binding, and the RTO is subject to the parties successfully negotiating and entering into a definitive business combination agreement (the "**Definitive Agreement**") in respect of the RTO on or before January 31, 2017, or such other date as may be agreed to by MOV and CYI. Although Hamed Shahbazi is considered to be a Non-Arm's Length Party to the Transaction as he is a director of both MOV and CYI, the RTO constitutes an Arm's Length Transaction as defined by the policies of the Exchange.

In consideration for all of the issued and outstanding securities of CYI, MOV has agreed to issue twenty million (20,000,000) MOV common shares for all common shares of CYI issued and outstanding on the date of the closing of the RTO.

The LOI also contemplates other material conditions precedent to be fulfilled prior to the closing of the RTO, including the completion of a concurrent financing to raise gross proceeds of a minimum of CAD\$500,000 or such other amount as is agreed to by MOV and CYI (the “**Concurrent Financing**”), customary due diligence, and receipt of all requisite board, shareholder and third party approvals being obtained, including the approval of the Exchange, and conversion of all outstanding shareholder loans of CYI into common shares of CYI.

In addition, it is also anticipated that MOV will conduct a financing immediately upon announcement of the RTO to raise gross proceeds of at least CAD\$150,000 or such other amount as is agreed to by MOV. Such proceeds will be used by MOV to cover RTO transaction related costs, as these were not originally contemplated in the MOV Qualifying Transaction budget projections.

Until the earlier of the date that the LOI is terminated or February 28th, 2017, each of MOV and CYI have agreed to not solicit, initiate, encourage or otherwise facilitate any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an alternate transaction. Either MOV or CYI may terminate the LOI during the exclusivity period by paying the other party a \$50,000 break fee.

It is expected that the RTO will be structured as an amalgamation in which CYI will amalgamate with a newly incorporated, wholly-owned subsidiary of MOV to be formed solely for the purpose of facilitating the RTO. Following the amalgamation, the amalgamated company will be a wholly-owned subsidiary of MOV and the resulting issuer is intended to be renamed “Wellness Lifestyles Inc.”. The final legal structure for the RTO, however, will be determined after the parties have considered applicable tax, securities and accounting matters.

Certain MOV securities issued in connection with the RTO will be subject to the escrow requirements of the Exchange, and hold periods as required by applicable securities laws.

Management and Board of Directors of Resulting Issuer

Upon completion of the RTO, it is anticipated that there will be no changes to MOV’s current board of directors and management team.

Sponsor

The proposed RTO will be subject to the sponsorship requirements of the Exchange, unless a waiver or exemption from the sponsorship requirement is available. MOV intends to seek a sponsorship exemption in connection with the RTO, however no assurance can be provided by MOV that such exemption will be granted. Any agreements to sponsor should not be construed as an assurance with respect to the merits of the RTO or the likelihood of completion of the proposed RTO.

Finders' Fees

It is expected that finders' fees will be paid in connection with the RTO and the Concurrent Financing, on terms to be determined in accordance with the policies of the Exchange and applicable securities laws prior to the completion of the RTO.

Trading in MOV Shares

Trading in MOV's common shares on the Exchange has been halted in connection with this announcement. Trading in the MOV shares will remain halted pending the review of the proposed RTO by the Exchange and satisfaction of conditions of the Exchange for resumption of trading. It is likely that trading in the MOV shares will not resume prior to the completion of the RTO.

Completion of the RTO is subject to a number of conditions, including Exchange acceptance and shareholder approval of both MOV and CYI. The RTO cannot close until the required shareholder approval is obtained. There can be no assurance that the RTO will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement or other disclosure document to be prepared in connection with the RTO, any information released or received with respect to the RTO may not be accurate or complete and should not be relied upon. Trading in the securities of MOV should be considered highly speculative.

The Exchange has in no way passed upon the merits of the proposed RTO and has neither approved nor disapproved the contents of this press release.

All information provided in this press release relating to CYI has been provided by management of CYI and has not been independently verified by management of the Company. As at the date of this press release, the Company has not entered into a binding agreement with CYI and readers are cautioned that there can be no assurances that a binding agreement will be completed.

ON BEHALF OF MOV

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Disclaimer for Forward-Looking Information

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from

those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements regarding the proposed RTO, the Concurrent Financing and the business and operations of CYI, and information regarding the management, business and operations of the Resulting Issuer. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause 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 and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals for the RTO; an inability to complete the Concurrent Financing; those additional risks set out in the Company's public documents filed on SEDAR at www.sedar.com; and other matters discussed in this news release. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.