

eXeBlock Technology Corporation

September 13, 2019

eXeBLOCK ENTERS INTO A LETTER OF INTENT TO ACQUIRE SCI AND NRES

eXeBlock Technology Corporation (the “**Company**” or “**eXeBlock**”) (listed on the Canadian Securities Exchange (“**CSE**”) Trading Symbol: **XBLK**) announces that it has entered into a Letter of Intent (“**LOI**”) to acquire on an arm’s length basis all of the shares of SCI Resource Software Inc. (“**SCI**”), a privately-held software development company, and certain assets of NaturalResource.ca (“**NRES**”) from Media Logic Inc. (collectively, the “**Transactions**”).

It is anticipated that the proposed Transactions will involve an acquisition, merger, amalgamation, plan of arrangement, reorganization, sale of all or substantially all of the assets, or exchange of assets or securities in a similar transaction.

About SCI

SCI was founded in 2005 by Strategic Concepts, Inc., and Derek Gould. Carl Sheppard, a former Director of eXeBlock, is a 50% owner of Strategic Concepts, Inc. SCI is headquartered in St. John’s, Newfoundland. The company has developed a suite of cloud-based software applications and other analytical tools to capture data required to monitor and report on project commitments, skills availability, employment, expenditures and industrial benefits. The company’s software is unique in that it greatly simplifies the collection, collation and reporting of benefits data for companies. The software facilitates the efficient collection of data from internal and external sources including suppliers, subcontractors, prime contractors and EPCMs. Built-in or customized reports help companies maintain approvals, licenses and community support for projects and ongoing operations. The company’s software applications are being used by major resource companies with operations across Canada. SCI has been generating revenues through licensed software sales and ongoing annual support and maintenance fees.

About NRES

Media Logic Inc. (“Media Logic”) was incorporated in 1998, and its head office is in Calgary, Alberta. Media Logic has developed a suite of cloud-based software products under the brand name “NaturalResource.ca”, which assist a company in managing its regulatory risk, with a focus on natural resources, environmental, health and safety, and their regulations. These products are also being marketed and are generating revenue from over 1,000 individuals and over 40 corporations. Many of these customers have been subscribers for over 15 years and include large oil and gas and mining resource companies, as well as professionals such as engineering, law, and auditing firms. Media Logic has been recognized by ISO auditors to meet ISO 14001 and 45001 standards.

Terms of the Proposed Transactions

The key terms of the proposed Transactions, as set out in the LOI, are as follows:

1. eXeBlock will consolidate its shares on the basis of two (2) old shares for one (1) new common share (a “**Consolidated Share**”), and it will change its name to more appropriately reflect the new business direction as may be mutually acceptable to eXeBlock and applicable regulatory authorities (the “**Consolidation and Change of Name**”); the Company after the Consolidation and Change of Name being the “**Resulting Issuer**”.

2. The Resulting Issuer will pay to SCI's shareholders the sum of \$1.0 million and issue to SCI's shareholders an aggregate of 12,811,875 Consolidated Shares, in exchange for all of the issued and outstanding shares of SCI. The shares being issued by the Resulting Issuer will be subject to such trade restrictions as may be imposed under applicable securities laws, including voluntary escrow restrictions permitting a 10% release on the date of listing of the Resulting Issuer (the "**Listing Date**") and installments of 15% of the original number every six months after the Listing Date.
3. The Resulting Issuer will pay to Media Logic's shareholders the sum of \$750,000 and issue an aggregate of 13,075,000 Consolidated Shares, in exchange for the NRES business, including all intellectual property rights, web portals, tradenames and trademarks. The shares being issued by the Resulting Issuer will be subject to such trade restrictions as may be imposed under applicable securities laws, including voluntary escrow restrictions permitting a 10% release on the Listing Date and installments of 15% of the original number every six months after the Listing Date.
4. A finder's fee will be paid to Numus Financial Inc. of 3,125,000 units (the "**Units**") at a deemed value of \$0.20 per Unit, which gives a value of \$625,000 for the Transactions. Each Unit will consist of one (1) Consolidated Share and one (1) share purchase warrant (the "**Warrants**"). Each Warrant will be exercisable at \$0.30 per Consolidated Share for a period of up to 24 months from the Listing Date.
5. eXeBlock will complete a concurrent financing (the "**Concurrent Financing**") of not less than 12,500,000 Consolidated Shares at a price of Cdn\$0.20 per Consolidated Share to raise gross proceeds of \$2.5 million for these acquisitions. Terms and conditions of the Concurrent Financing may be changed upon the consent of all parties. A cash finder's fee will be payable to Numus Capital Corp., an exempt market dealer, for the Concurrent Financing equal to 7.5% of the gross proceeds raised.
6. Upon completion of the Transactions, the Board of Directors of eXeBlock is to consist of five members, two members of which will be nominees of each of SCI and Media Logic, and one member from eXeBlock. The parties intend that the senior officers of eXeBlock upon completion of the Transactions will be Leanne Forbes, the current President and CEO of Media Logic, as the President and CEO of the Company, Derek Gould as the Chief Technology Officer of the Company, and Robert Randall will remain as the Chief Financial Officer of the Company.
7. The parties will negotiate a definitive share exchange, asset purchase, or other business combination agreement to reflect the terms of the LOI, as well as the voluntary escrow agreement and any escrow agreement required under the policies of the CSE (collectively, the "**Definitive Agreements**").

Conditions for Closing

The closing of the Transactions with SCI and Media Logic will be subject to a number of conditions, including but not limited to the following:

- (a) completion by eXeBlock of its due diligence reviews of SCI and NRES prior to October 31, 2019;
- (b) receipt of historical audited financial statements of SCI and such other valuations or assessments reasonably required to establish the value of SCI and NRES, all in a form satisfactory to eXeBlock;
- (c) execution of the Definitive Agreements;
- (d) approval of the shareholders of eXeBlock; and
- (e) closing of the Concurrent Financing.

Shareholder Approval and Other Matters

Pursuant to the policies of the CSE, the Transactions will require the approval of the shareholders of the Company.

The Transactions are both at arm's length to the Company and are not related party transactions. Mr. Sheppard does not exercise any influence over the current board of directors of the Company.

The Transaction will not result in an effective change of control of the Company.

Completion of the Transactions is subject to a number of conditions common to transactions of a similar nature, including but not limited to, CSE acceptance, and if applicable pursuant to the CSE's requirements, shareholder approval. Where applicable, the Transactions cannot close until the required shareholder approval is obtained. There can be no assurance that the Transactions will be completed as proposed or at all.

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

For further information, please contact:

Ken Marshall, President & CEO
Phone: (709) 351-4429

ON BEHALF OF THE BOARD OF DIRECTORS

Ken Marshall
President & CEO