

Hello Pal Signs Definitive Purchase Agreement to Acquire Interest in Dogecoin/Litecoin Mining Assets

VANCOUVER, BC, April 19, 2021 /CNW/ -- [Hello Pal International Inc.](#) ("Hello Pal" or the "Company") (CSE: HP) (Frankfurt: 27H) (OTC: HLLPF), a provider of rapidly growing international live-streaming, language learning and social-crypto platform, is pleased to announce that it has entered into a definitive purchase agreement (the "Agreement") with a company controlled by Shanghai Yitang Data Technology Co. Ltd. ("Yitang") to acquire an initial 51% interest in 12,500 mining rigs dedicated to mining Dogecoin (DOGE) and Litecoin (LTC) (the "Mining Assets"), with an option to increase such interest to 100% (the "Transaction"). The Mining Assets provide a combined hash rate of 6.25 TH/s, which amounts to 2.1% of the entire current LTC network hash rate.



The transaction previously announced by the Company on March 8, 2021 has been amended such that the Company will no longer acquire an interest in a single cryptocurrency mining facility, but rather has entered into a guaranteed services agreement (the "Guaranteed Services Agreement") with Yitang to ensure that its Mining Assets are hosted across multiple locations so as to ensure diversification of risk against potential future local governmental regulations that may adversely affect cryptocurrency mining, as well as to take advantage of variations in electricity costs in different geographical areas according to seasonal weather patterns. Pursuant to the Guaranteed Services Agreement, Yitang will guarantee the hosting of the Mining Assets as well as power supply and will provide management and hosting services.

The consideration for the Transaction is C\$1,500,000 payable in cash and 1,800,000 units of the Company (the "Consideration Units") valued at C\$2,250,000. Each Consideration Unit will have a deemed value of C\$1.25 and consist of one common share of the Company (each, a "Common Share") and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "Consideration Warrant"). Each Consideration Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of C\$2.00 for a period of two years from the date of issue.

For a period of two years following the completion of the Transaction, the Company will have the option to acquire a further 49% interest in the Mining Assets (for a total interest of 100%) for an additional payment, as to half in cash and half in Common Shares (the number of Common Shares to be determined in the context of the market), where the valuation of the Mining Assets is dependent on their net profit over a 12-month period immediately preceding the date on which this option is exercised, multiplied by a formulated multiplier.

"With the signing of the definitive agreement with Yitang, we have taken the next step towards having cryptocurrency as an integral part of Hello Pal," said KL Wong, Founder and Chairman of the Company.

Completion of the Transaction is expected to occur before the end of April 2021 and is subject to certain conditions, including but not limited to: (a) completion of a due diligence report by a "Big Four" accounting firm on the Mining Assets in a form satisfactory to the Company; (b) the receipt of all necessary approvals from the Company's board of directors; (c) the receipt of all required consents and approvals, including without limitation, approval by the Canadian Securities Exchange; and (d) satisfaction of the escrow release conditions in connection with the previously announced private placement of subscription receipts.

"We are also ecstatic that our choice of cryptocurrencies to mine seems to have been validated especially by the recent incredible surge in market interest and activity of Dogecoin. As far as we are aware, upon completion of this transaction, we shall be the only publicly listed company with primary exposure to Dogecoin," added Mr. Wong.

The previously announced 'commercially reasonable efforts' private placement of subscription receipts led by Canaccord Genuity Corp. is now expected to close on or around April 22, 2021 or such other date as Canaccord and the Company may agree. See news release dated March 8, 2021 for further details regarding the private placement.

About Yitang

Yitang, a leading provider of digital wallet services with over US\$70 million in crypto-assets under management, is also helping the Company to revamp and reintroduce its digital wallet as well as its own digital token called "Palto". Upon completion of the revamp, the Company's current virtual tokens used on its livestreaming platform is expected to be fully enhanced and backed by blockchain technology, with Palto and popular cryptocurrency such as Bitcoin, Ethereum, Litecoin and Dogecoin accepted throughout the platform. First launched in 2018 (see news release of the Company dated October 9th, 2018), Palto (PLT) is a utility token that will be used across the entire Hello Pal suite of apps in order to allow for the borderless transfer of value between Hello Pal users across the world.

To download Hello Pal please visit the IOS or Android store. For information with respect to the Company or the contents of this news release, please contact the Company at (604) 683-0911 or visit the website at hellopal.com. Email inquiries can be directed to: investors@hellopal.com.

About the Hello Pal Platform

The Hello Pal Platform is a proprietary suite of mobile applications built on a user-friendly messaging interface that focus on social interaction, language learning and travel. Hello Pal, has been designed from the ground up to be easy to use and enables users' the freedom to speak in their own language regardless of the other person's language they are speaking to. Hello Pal's overriding mission is to bring the world closer together through social interaction, language learning and travel. By creating a platform where it is easy to instantly interact with others around the world and giving them the tools to communicate with each other in a joyful and fun way, we hope to do our part (however small) in fostering understanding and tolerance between all citizens of the world.

Information set forth in this news release contains forward-looking statements, including expectations regarding completion of the Transaction and the private placement, including the anticipated closing date of the Transaction and the private placement. These statements reflect management's current estimates, beliefs, intentions, and expectations; they are not guarantees of future performance. Hello Pal cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond Hello Pal's control. Such risks and uncertainties are described in Hello Pal's annual and interim financial statements available on www.sedar.com. Although Hello Pal is currently generating revenues, Hello Pal remains in the growth stage and such revenues are yet to be profitable. Accordingly, actual, and future events, conditions and results may differ materially from the estimates, beliefs, intentions, and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, Hello Pal undertakes no obligation to publicly update or revise forward-looking information.

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