

1040433 B.C. LTD.
Consolidated Financial Statements
Year Ended July 31, 2017

Expressed in Canadian Dollars

UNIT 114B (2nd floor)
8988 FRASERTON COURT
BURNABY, BC, V5J 5H8

T: 604.318.5465
F: 604.239.0866

Adam Kim

ADAM SUNG KIM LTD.

CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders of
1040433 B.C. Ltd.

I have audited the accompanying financial statements of 1040433 B.C. Ltd. (the "Company"), which comprise the consolidated statement of financial position as at July 31, 2017, and the consolidated statement of loss and comprehensive loss, consolidated statement of cash flows and consolidated statement of changes in equity for the year ended July 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2017, and its financial performance and its cash flow for the year ended July 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter

The financial statements of the Company for the year ended July 31, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on March 8, 2017.

"Adam Sung Kim Ltd."
Chartered Professional Accountant

Burnaby, British Columbia
September 11, 2017

1040433 B.C. Ltd.

Consolidated Statements of Financial Position

As at July 31, 2017 and 2016

(Expressed in Canadian Dollars)

	Notes	July 31, 2017	July 31, 2016
ASSETS			
Current assets			
Amounts receivable		\$ 308	\$ -
TOTAL ASSETS		\$ 308	\$ -
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current Liabilities			
Accounts payable and accrued liabilities	6	\$ 11,370	\$ 2,750
SHAREHOLDERS' DEFICIENCY			
Share capital	5	7,932	7,932
Deficit		(18,994)	(10,682)
TOTAL SHAREHOLDERS' DEFICIENCY		(11,062)	(2,750)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		\$ 308	\$ -

Nature and continuance of operations (Note 1)**Subsequent events** (Note 10)

Approved by the board of directors and authorized for issue on September 11, 2017:

"Eugene Beukman"

Eugene Beukman, Director

"Theo van der Linde"

Theo van der Linde, Director

1040433 B.C. Ltd.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended July 31, 2017 and 2016

(Expressed in Canadian Dollars)

	Notes	July 31, 2017	July 31, 2016
Expenses			
Accounting and audit	6	\$ 4,642	\$ 2,000
Management fees	6	3,205	-
Office and miscellaneous		749	1,000
Transaction fees		-	6,932
Transfer agent and filing fees (recovery)		(284)	750
Loss and comprehensive loss for the year		\$ (8,312)	\$ (10,682)
Loss per share – basic and diluted		\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding		396,601	299,895

1040433 B.C. Ltd.

Consolidated Statements of Changes in Equity

For the years ended July 31, 2017 and 2016

(Expressed in Canadian Dollars)

		Share capital			
	Notes	Number of shares	Amount	Deficit	Total
Balance at July 31, 2015		1	\$ -	\$ -	\$ -
Shares issued for plan of arrangement	5	396,600	7,932	-	7,932
Loss for the year		-	-	(10,682)	(10,682)
Balance at July 31, 2016		396,601	\$ 7,932	\$ (10,682)	\$ (2,750)
Loss for the year		-	-	(8,312)	(8,312)
Balance at July 31, 2017		396,601	\$ 7,932	\$ (18,994)	\$ (11,062)

See accompanying notes to the consolidated financial statements

1040433 B.C. Ltd.

Consolidated Statements of Cash Flows
For the years ended July 31, 2017 and 2016
(Expressed in Canadian Dollars)

	July 31, 2017	July 31, 2016
Operating activities		
Loss for the year	\$ (8,312)	\$ (10,682)
Item not involving cash:		
Transaction fees	-	6,932
Changes in non-cash working capital items:		
Amounts receivable	(308)	
Accounts payable and accrued liabilities	8,620	2,750
Net cash flows used in operating activities	-	(1,000)
Financing activities		
Proceeds on issuance of common shares, net	-	1,000
Share cancelled	-	(1)
Net cash flows from financing activities	-	999
Change in cash	-	(1)
Cash, beginning	-	1
Cash, ending	\$ -	\$ -

There were no significant non-cash transactions for the years ended July 31, 2017 and 2016.

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

1. Nature and continuance of operations

1040433 B.C. Ltd. (the "Company") was incorporated on June 19, 2015, under the laws of the province of British Columbia, Canada. The Company is a business development services company. It provides business development services to new and emerging businesses, including making introductions to accountants, lawyers, brokers, transfer agents, and various other professionals and service providers to assist companies in raising capital and going public.

The head office, principal address, records office and registered address of the Company are located at Suite 1128 - 789 West Pender Street, Vancouver, BC V6C 1H2.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. At July 31, 2017, the Company had not yet achieved profitable operations, had accumulated losses of \$18,994 since its inception, and has working capital deficit of \$11,062. The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its business activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or profits from its business activities.

2. Basis of preparation

Statement of compliance

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, or available for sale which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted.

3. Significant accounting policies

Consolidation

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

3. Significant accounting policies (cont'd)

Significant estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation relate to the fair value measurements for financial instruments and stock-based compensation and other equity-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the determination of the functional currency of the parent company and its subsidiaries.

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiaries is the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of loss and comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3. Significant accounting policies (cont'd)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

3. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Non-derivative financial liabilities (excluding financial guarantees) classified as other financial liabilities are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company's cash and receivables are classified as loans and receivables. The Company's trade payables and deposits are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

The Company does not have any derivative financial assets or liabilities.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3. Significant accounting policies (cont'd)

Impairment of assets (cont'd)

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

3. Significant accounting policies (cont'd)

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has not yet assessed the impact, if any, that the new amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements. The following standard will be effective for annual periods beginning on or after January 1, 2018:

IFRS 9, *Financial Instruments* – The IASB intends to replace IAS 39, *Financial Instruments: Recognition and Measurement* in its entirety with IFRS 9 which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

4. Plan of arrangement

In July 2015, the Company entered into an Arrangement Agreement with TNX Maverick Inc. (“TNX”) (formerly Kidani Capital Partners Inc.) and 1033143 BC Ltd. (“1033143”). TNX is a reporting issuer in the provinces of Alberta and British Columbia

In October 2015, the shareholders of the Company, TNX and 1033143, executed the Arrangement as follows:

- a) 1033143 acquired all of the issued and outstanding common shares of the Company from TNX for consideration of the Purchase Price of \$1,000 on the Closing of the Plan of Arrangement (the “Purchase Shares”);
- b) 1033143 and the Company exchanged securities on a 1:1 basis such that 396,600 common shares of 1033143 were exchanged by their holders for 396,600 common shares of the Company;
- c) TNX and the Company exchanged on a 1:1 basis, such that TNX issued one common shares to the Company and the Company issued one common share to TNX (collectively, the “Exchange Shares”); and
- d) The Purchase and the Exchange Shares were then cancelled.

Following completion of the Arrangement Agreement, the Company became a reporting issuer.

A transaction fee of \$6,932 was recorded as a result of the Arrangement.

As a result of the Arrangement Agreement, the former shareholders of 1033143, for accounting purposes, are considered to have acquired control of the Company. Accordingly, the Arrangement has been accounted for as a reverse takeover that was not a business combination and effectively a capital transaction of the Company. As 1033143 is deemed to be accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on June 19, 2015 are included in the consolidated financial statements at their historical carrying value. The financial statements are a continuation of 1033143 in accordance with IFRS 3, Business Combinations. The Company’s results of operations are included from October 29, 2015 onwards.

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

5. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At July 31, 2017, there were 396,601 issued and fully paid common shares.

Share issuances

On June 19, 2015, the Company issued one common share on incorporation.

During the year ended July 31, 2016, pursuant to the Plan of Arrangement (see Note 4), the Company issued 396,600 for \$1,000 and the acquisition of an LOI valued at \$6,932 and included as transaction fees on the statement of loss and comprehensive loss.

Stock options

The Company has not issued any stock options and no stock options are outstanding as at July 31, 2017 and 2016.

Warrants

The Company has not issued any warrants and no warrants options are outstanding as at July 31, 2017 and 2016.

6. Related parties

During the year ended July 31, 2017, the Company paid and/or accrued accounting and management fees of \$5,705 (2016 - \$Nil) to a company controlled by a director of the Company.

Included in accounts payable and accrued liabilities at July 31, 2017 is \$6,966 (2016 - \$Nil) owed to directors and companies controlled by directors of the Company.

7. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable. This risk is minimal as receivables consist of refundable government general sales taxes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at July 31, 2017, the Company did not have any cash equivalents or interest bearing debt and is not subject to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

The Company has no financial assets as at July 31, 2017 and 2016.

Financial liabilities included in the consolidated statement of financial position are as follows:

	July 31, 2017	July 31, 2016
Non-derivative financial liabilities:		
Trade payables	\$ 11,370	\$ 2,750

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

8. Segmented information

The Company operates in a single reportable operating segment – business development services in Canada.

9. Income taxes

A reconciliation of income taxes at statutory tax rates is as follows:

	July 31, 2017	July 31, 2016
Loss for the year	\$ 8,312	\$ 10,682
Statutory tax rate	26%	26%
Expected recovery of income taxes	2,161	2,777
Permanent and other differences	-	(2,062)
Change in benefit no recognized	(2,161)	(715)
Deferred income tax recovery	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

	July 31, 2017	July 31, 2016
Non-capital losses	\$ 2,876	\$ 715

The Company's non-capital losses of \$11,062 (2016 - \$2,750), expire in 2037 if not utilized to reduce income in future periods.

10. Subsequent events

On August 14, 2017, the Company closed a non-brokered financing of 5,200,000 units at \$0.03 per unit for gross proceeds of \$156,000. Each unit consists of a common share and one-half of one share purchase warrant, with each whole warrant entitles the holder thereof to acquire an additional common share of the Company at a price of \$0.05 per share for a period of 3 years.

On August 18, 2017, the Company entered into a letter of intent (the "LOI") relating to the acquisition of eXeBlock Technology Inc. ("eXeBlock"), a private corporation existing under the laws of Canada (the "Acquisition"). The Acquisition will be effected through an exchange of securities with all of the securityholders of eXeBlock (the "Transaction").

1040433 B.C. Ltd.

Notes to the Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the year ended July 31, 2017

10. Subsequent events (cont'd)

The LOI includes:

- a) The Company will acquire all of the issued securities of eXeBlock. The intent of the parties being that all common shares of eXeBlock prior to the closing of the Transaction will be exchanged for common shares of the Company on the basis of two shares of the Company for each eXeBlock share.
- b) Upon closing of the Transaction, the Board of Directors will consist of four (4) directors, comprised of three (3) nominees from eXeBlock and one (1) nominee from the Company.
- c) Post closing, eXeBlock intends to complete a non-brokered private placement to raise aggregate gross proceeds of minimum of \$3,000,000 (the "Private Placement").
- d) eXeBlock plans to complete an initial listing on the Canadian Securities Exchange (the "Exchange" or "CSE"), pending Exchange and regulatory approval.