

eXeBlock Provides Update and Additional Information on Sale of Assets Transaction

Halifax, Nova Scotia--(Newsfile Corp. - March 26, 2019) - Further to its news release dated February 15, 2019, eXeBlock Technology Corporation (CSE: XBLK) ("**eXeBlock**" or the "**Company**") is providing an update on the sale of assets transaction with Peerplays Blockchain Standards Association ("**PBSA**"), Data Security Node Inc., Fallout Complex Inc., 10353027 Canada Corporation ("**10353027**"), and Jonathan Baha'i.

Transaction Terms

The material terms of the transaction include:

1. Sale of software including 50/50 Labs, Sidechain and eXeChain (collectively, the "**Software**") to PBSA for the payment to eXeBlock of \$250,000 in cash plus applicable taxes, on closing;
2. the assumption by PBSA of amounts owing by eXeBlock to a third party developer in the development of the Software totaling \$463,419 USD;
3. the return of up to 9,965,000 common shares of eXeBlock ("**Shares**") held by 10353027, an entity wholly-owned by Jonathan Baha'i (which represents approximately 16.2% of the Company's Shares outstanding as of February 11, 2019) to treasury for cancellation by the Company, and the parties recently agreed that there would be no consideration paid for this purchase;
4. the termination of the software development agreement between eXeBlock and PBSA on closing and release by eXeBlock in any interest in any consideration, including any PPY tokens, if any, which were to be transferred as payment for software development under such agreement;
5. the forgiveness of amounts owing by eXeBlock to each of Data Security Node Inc., Fallout Complex Inc., and Jonathan Baha'i for certain equipment, furniture, fixtures and Company expenses totaling \$74,912.35; and
6. the termination of the bunker lease between eXeBlock and Fallout Complex Inc. on closing,

(collectively, the "**Transaction**").

Update on Regulatory Approvals

eXeBlock has concluded that the return of eXeBlock Shares to its treasury for cancellation will not be an "issuer bid", and no regulatory approvals will be sought under issuer bid rules.

10353027 currently holds an aggregate of 9,965,000 Shares of eXeBlock, including 6,000,000 Shares that remain in escrow. The escrowed Shares are scheduled for release in tranches between May 2019 and November 2020. eXeBlock may seek the necessary regulatory approval from the British Columbia Securities Commission (the "**BCSC**") to allow for the accelerated release and purchase of the escrowed Shares. The Transaction agreements contemplate that eXeBlock can obtain the escrowed Shares over time as they are released from escrow.

Related Party Transaction

The Company understands that Mr. Baha'i controls each of 10353027, Data Security Node Inc. and Fallout Complex Inc. Through his control of 10353027, Mr. Baha'i beneficially owns approximately 16.2% of the outstanding Shares. eXeBlock is required to treat Mr. Baha'i as a "related party" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") and treat the Transaction as a "related party transaction" under MI 61-101.

If the 3,965,000 Shares that are not escrowed Shares are repurchased for cancellation at closing, the issued and outstanding Shares will be reduced to 57,476,531 of which Mr. Baha'i will indirectly own approximately 10.4% which will be subject to the Company's rights to acquire additional Shares, as permitted by law. If the 9,965,000 maximum purchased Shares are repurchased for cancellation, the issued and outstanding Shares of the Company will be reduced to 51,476,531 of which Mr. Baha'i will own none.

The Transaction is exempt from the formal valuation requirements provided in section 5.5(b) of MI 61-101, as the Shares are only listed on the Canadian Stock Exchange and not on any of the markets specified in section 5.5(b) of MI 61-101. There have been no prior valuations, as such term is defined in MI 61-101, in the 24 months prior to the date of this Material Change Report.

The Transaction will be subject to minority approval. For the purposes of the Transaction, the minority approval will exclude the 9,965,000 Shares beneficially owned by Mr. Baha'i.

The Company did not establish a special committee of the Board of Directors (the "**Board**"), as the Board consists of only three directors all of whom are independent of the Purchaser. The Board concluded that a separate special committee was not necessary and that the negotiations were arms-length. Mr. Baha'i resigned as a director and officer of eXeBlock in November 2017 and undertook to the BCSC that his Shares would not be voted for a 5-year period commencing on November 10, 2017. Mr. Baha'i's only role at eXeBlock since November 2017 was as an employee, and that relationship ended in December 2019.

Transaction Background

The Board of eXeBlock has considered all relevant factors and unanimously determined that the Transaction is in the best interests of the Company and its shareholders. The Board unanimously recommends that its shareholders vote in favour of the Transaction. After an extensive review of the Software along with a considerable effort to sell or partner with others, it was decided that the direction of the Company would be better served if the capital remaining was protected and other opportunities explored. The decentralized blockchain business, while perhaps a viable opportunity for certain groups, seems less attractive for eXeBlock especially given the time and costs to produce the assets and the long-term return on investment. The open nature of decentralized blockchain and its reliance on large scale adoption of the tokenomics structure would likely work better for a consortium group that may also bring traction to bear. The Company is currently looking at other opportunities within the private blockchain space.

Management had reached out to no less than 15 -20 firms or possible partners in attempt to determine whether there were potential purchasers for these assets. The number of organizations interested in the specific assets is very limited. eXeBlock then approached PBSA and determined that PBSA may have an interest. The negotiations were fairly fluid and progressed with multiple meetings and discussions and the parameters of the deal changed from strictly a monetary transaction to a transaction that included the relief of outstanding debt, the assumption of liability to a third party contractor, the cancellation of the facility lease, the return of shares and the cancellation of the software development agreement between the two parties as well as a monetary payment and the acceptance of Mr. Baha'i's resignation. The parties eventually reached agreement in February.

Meeting and Other Information

The annual and special meeting of the Company has been called for April 2, 2019 (the "**Meeting**") and will be held at 1969 Upper Water Street, Suite 2001, Purdy's Wharf Tower II, Halifax, Nova Scotia B3J 3R7 at 2:00 p.m. (Halifax Time). At the Meeting, the shareholders will be asked to consider a resolution approving and authorizing the Transaction.

Further details regarding the Transactions are provided in a management information circular mailed to the Company's shareholders in March 2019 and an updated material change report dated today. Copies of the management information circular, the updated material change report and the Agreement are available at www.sedar.com.

About eXeBlock

eXeBlock Technology Corp (CSE: BLK) is a designer of custom, state-of-the-art blockchain based software applications that provide profitable, secure and efficient solutions to businesses and markets globally.

To receive regular updates on the business, follow them on Twitter [@eXeBlock](https://twitter.com/eXeBlock) or visit www.exeblock.com.

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FORWARD-LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words 'estimate', 'project', 'belief', 'will', 'anticipate', 'intend', 'expect', 'plan', 'predict', 'may' or 'should'

and the negative of these words or such variations or comparable terminology are intended to identify forward-looking statements and information. More particularly and without limitation, this news release contains forward-looking information relating to, the anticipated completion of the Transaction including satisfaction of the conditions thereto, including receipt of regulatory approvals and the approval of the Company's shareholders and the anticipated timing for completion of these matters. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. There are no assurances the Transaction will be completed on the terms and timeline anticipated, or at all. Forward looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements. There are a number of important risk factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. For a more detailed discussion of risk factors, refer to the Company's management discussion and analysis dated as of January 28, 2019 filed under the Company's profile on SEDAR (www.sedar.com) and on the CSE's website. The Company cautions that the aforementioned list of material risk factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing risk factors and other uncertainties and potential events.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

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