

**eXeBlock Technology Corporation**

*Unaudited Condensed Interim Consolidated Financial Statements*

**For the period ended November 30, 2020**

*(Expressed in Canadian Dollars)*

January 28, 2021

### **Management's Responsibility for Financial Reporting**

The accompanying unaudited condensed interim consolidated financial statements of **eXeBlock Technology Corporation** (the "Company") are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) "*Ken Marshall*"  
President and Chief Executive Officer  
St. John's, Newfoundland

(signed) "*Robert Randall*"  
Chief Financial Officer  
Halifax, Nova Scotia

**eXeBlock Technology Corporation**  
**Consolidated Statements of Financial Position**  
*Expressed in Canadian dollars*  
As at November 30, 2020 and August 31, 2020

	November 30, 2020 \$	August 31, 2020 \$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,213,719	1,289,245
Amounts receivable	41,706	32,004
Deposits and prepaid expenses	-	15,513
	<hr/>	<hr/>
Total current assets	1,255,425	1,336,762
	<hr/>	<hr/>
<b>Total assets</b>	<b>1,255,425</b>	<b>1,336,762</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	57,944	59,762
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>57,944</b>	<b>59,762</b>
<b>Equity</b>		
Shareholders' equity	1,197,481	1,277,000
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<b>Total liabilities and equity</b>	<b>1,255,425</b>	<b>1,336,762</b>
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Nature of operations and going concern (note 1)  
Commitments and contingencies (note 8)  
Subsequent event (note 9)

Approved on behalf of the Board of Directors on January 28, 2021.

“Paul Thomson”  
Director

“Ian Klassen”  
Director

*The accompanying notes are an integral part of these consolidated financial statements.*

**eXeBlock Technology Corporation**  
**Consolidated Statements of Loss and Comprehensive Loss**

*Expressed in Canadian dollars*

For the periods ended November 30, 2020 and 2019

	<b>Three months ended November 30 2020</b>	Three months ended November 30 2019
	\$	\$
<b>Expenses</b>		
Professional, consulting and directors fees (note 6)	<b>48,012</b>	81,691
Rent and administrative costs (note 6)	<b>12,161</b>	12,862
Securities and regulatory fees	<b>2,630</b>	7,278
Market development and advertising	<b>1,713</b>	660
Travel	<b>1,057</b>	5,062
	<hr/>	<hr/>
<b>Loss before other income and income taxes</b>	<b>(80,573)</b>	(107,553)
Interest income	<b>1,054</b>	6,232
	<hr/>	<hr/>
<b>Net loss and comprehensive loss for the period</b>	<b>(79,519)</b>	(101,321)
	<hr/>	<hr/>
Loss per share – basic and diluted	<b>(0.002)</b>	(0.002)
	<hr/>	<hr/>
Weighted-average number of common shares outstanding – Basic and diluted	<b>53,539,031</b>	51,476,531
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*The accompanying notes are an integral part of these consolidated financial statements.*

**eXeBlock Technology Corporation**  
**Consolidated Statements of Changes in Equity**

*Expressed in Canadian dollars*

For the periods ended November 30, 2020 and 2019

	<u>Common Shares (note 4)</u>		<u>Warrants</u>		<u>Contributed Surplus</u>	<u>Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Warrants</u>	<u>Amount</u>			
	<u>#</u>	<u>\$</u>	<u>#</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Balance, August 31, 2019</b>	<b>51,476,531</b>	<b>6,262,241</b>	<b>3,890,557</b>	<b>533,607</b>	<b>121,366</b>	<b>(5,443,618)</b>	<b>1,473,596</b>
Broker warrants expired	-	-	(1,328,057)	(316,546)	316,546	-	-
Net loss for the period	-	-	-	-	-	(101,321)	(299,721)
<b>Balance, November 30, 2019</b>	<b>53,539,031</b>	<b>6,262,241</b>	<b>2,562,500</b>	<b>217,061</b>	<b>437,912</b>	<b>(5,544,939)</b>	<b>1,277,000</b>
Warrants exercised	2,062,500	277,833	(2,062,500)	(174,708)	-	-	103,125
Warrants expired	-	-	(500,000)	(42,353)	42,353	-	-
Net loss for the period	-	-	-	-	-	(198,400)	(299,721)
<b>Balance, August 31, 2020</b>	<b>53,539,031</b>	<b>6,540,074</b>	<b>-</b>	<b>-</b>	<b>480,265</b>	<b>(5,743,339)</b>	<b>1,277,000</b>
Net loss for the period	-	-	-	-	-	(79,519)	(79,519)
<b>Balance, November 30, 2020</b>	<b>53,539,031</b>	<b>6,540,074</b>	<b>-</b>	<b>-</b>	<b>480,265</b>	<b>(5,822,858)</b>	<b>1,197,481</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**eXeBlock Technology Corporation**  
**Consolidated Statements of Cash Flows**

*Expressed in Canadian dollars*

For the periods ended November 30, 2020 and 2019

	<b>Three months ended November 30 2020 \$</b>	Three months ended November 30 2019 \$
<b>Operating activities</b>		
Net loss for the period	<b>(79,519)</b>	(101,321)
Changes in non-cash working capital		
Decrease in amounts receivable	<b>(9,702)</b>	58,751
Decrease (increase) in prepaid expenses	<b>15,513</b>	9,988
Decrease in accounts payable and accrued liabilities	<b>(1,818)</b>	17,341
<b>Net cash used in operating activities</b>	<b>(75,526)</b>	(15,241)
Decrease in cash and cash equivalents during the period	<b>(75,526)</b>	(15,241)
Cash and cash equivalents, beginning of period	<b>1,289,245</b>	1,461,406
Cash and cash equivalents, end of period	<b>1,213,719</b>	1,446,165

*The accompanying notes are an integral part of these consolidated financial statements.*

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

eXeBlock Technology Corporation (formerly 1040433 B.C. Ltd.) (the “Company”), was incorporated pursuant to the British Columbia Business Corporations Act on June 19, 2015. On August 18, 2017, the Company and eXeBlock Technology Inc. (“eXeBlock Inc.”) signed a letter of intent and on September 6, 2017, the Company and eXeBlock Inc. entered a Share Exchange Agreement (the “SEA”) under which the transaction was completed and the Company effected a change in directors, management and business. The Company changed its name to eXeBlock Technology Corporation.

The Company acquired eXeBlock Inc. through a reverse acquisition transaction. Under the terms of the SEA, the Company acquired all of the issued and outstanding common shares of eXeBlock Inc. based on two shares of the Company for each share of eXeBlock Inc. eXeBlock Inc. is engaged in the business of developing and marketing decentralized applications (“DApps”). eXeBlock Inc. was federally incorporated pursuant to the Canada Business Corporations Act on July 11, 2017. eXeBlock Inc. is deemed to be the continuing entity for financial reporting purposes and therefore its historical operations, assets and liabilities are included.

On November 9, 2017, the Company filed a Prospectus in association with its initial listing application on the Canadian Securities Exchange (“CSE”) and its common shares commenced trading on the CSE on November 16, 2017 as a Technology Issuer under the trading symbol “XBLK”.

The Company’s corporate office address is Suite 280, 1090 West Georgia Street, Vancouver, BC, V6E 3V7. eXeBlock Inc.’s registered office is located at Suite 1100, 1959 Upper Water Street, Halifax, NS, Canada, B3J 3N2. The Company’s technical, administrative, sales and marketing office is located at Suite 2001, 1969 Upper Water Street, Halifax, NS, Canada, B3J 3R7.

These consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the period ended November 30, 2020, the Company incurred a net loss of \$79,519. The Company has no recurring revenue from operations. In addition to its working capital requirements, the Company must secure sufficient funding to develop its private blockchain business and fund its general operating costs. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

The Company’s ability to continue as a going concern is dependent upon its ability to fund its working capital and operating requirements and eventually to generate positive cash flows from operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption determined to be inappropriate and these adjustments could be material.

## **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

### **Statement of compliance with International Financial Reporting Standards (“IFRS”)**

The Company prepares its unaudited condensed consolidated interim financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of Chartered Professional Accountants of Canada – Part 1 (“CPA Canada Handbook”), which incorporates International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited financial statements of eXeBlock Technology Corporation for the year ended August 31, 2020.

### **Approval of the consolidated financial statements**

These unaudited condensed interim consolidated financial statements for the period ended November 30, 2020 were reviewed by the Company’s Audit Committee and approved and authorized for issue by the Company’s Board of Directors on January 28, 2021.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of January 28, 2021, the date the Board approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year-ended August 31, 2021 could result in the restatement of these unaudited condensed interim consolidated financial statements.

### **Basis of Measurement**

These annual financial statements are presented in Canadian dollars, the Company’s functional currency, and have been prepared on the historical costs basis.

These consolidated financial statements also include the effects of the reverse acquisition transaction as described in note 1. All significant inter-company transactions have been eliminated on consolidation.

### **Critical accounting judgments and estimates**

The preparation of the financial statements in conformity with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical accounting judgments and estimates in applying accounting policies that have the most significant impact on the amounts recognized in the financial statements are outlined below.



**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (continued)**

*Stock-Based Compensation*

Management is required to make certain estimates when determining the fair value of stock option awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the unaudited condensed interim consolidated statement of loss and comprehensive loss based on estimates of volatility, forfeiture and expected lives of the underlying stock options.

*Valuation and amortization of internally generated intangible assets*

The Company will capitalize certain costs incurred for the development of its DApps. Estimates are used in order to determine the point in time whereby the recognition criteria are met and the allocation and nature of costs to capitalize in accordance with IAS 38, *Intangible Assets*. The capitalized costs may include the cost of direct labour and other costs directly attributable to preparing the intangible asset for its intended use. Management will then estimate the expected term over which the Company will receive benefits from the software application. A change in these estimates may have a significant impact on the carrying value of the intangible asset and the amortization and expenses recognized in the statements of loss and comprehensive loss.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These unaudited condensed interim consolidated financial statements have been prepared using the same policies and methods of computation as the annual consolidated financial statements of eXeBlock Technology Corporation for the year ended August 31, 2020. Refer to note 2, *Significant Accounting Policies*, of the annual financial statements of eXeBlock Technology Corporation for the year ended August 31, 2019 for information on the accounting policies as well as new accounting standards not yet effective.

**4. SHARE CAPITAL**

**a) Common shares**

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

Effective November 16, 2017, 12,650,002 common shares of the Company were issued to the directors, officers and the founder of the Company and are subject to an escrow agreement. In the year ended August 31, 2019, 9,965,000 common shares were cancelled (see note 3). As at November 30, 2020, 397,502 shares (August 31, 2020 – 397,502) remained in escrow.

**b) Stock options**

The Company has a stock option plan (the "Plan") for directors, officers, employees and consultants of the Company. The Board of Directors have the authority to issue up to 10% of the issued and outstanding common shares of the Company. The options can have up to a ten-year life and the vesting period is set by the Board of Directors. Options are granted at a price no lower than the market price of the common shares on the date issued.

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options.

**eXeBlock Technology Corporation**  
**Notes to Consolidated Financial Statements**  
For the periods ended November 30, 2020 and 2019

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**4. SHARE CAPITAL** (continued)

**b) Stock options** (continued)

Based on the Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the 1,400,000 options granted on March 1, 2018 is \$393,787. Based on the same Black-Scholes option pricing model and the assumptions outlined above, the estimated fair value of the 500,000 options granted on June 21, 2018 is \$54,657. These amounts are amortized over the vesting period and \$nil has been expensed during the year ended August 31, 2020 (2019 - \$80,101).

The following table reconciles the stock option activity during the years ended August 31, 2020 and 2019:

	<u>Number of options</u>	<u>Weighted-average exercise price per share (\$)</u>
<b>Balance, August 31, 2018</b>	1,900,000	\$0.15 - \$0.45
Cancelled	<u>(400,000)</u>	\$0.45
Balance, August 31, 2019	1,500,000	\$0.15 - \$0.45
Cancelled	<u>(1,500,000)</u>	\$0.15 - \$0.45
<b>Balance, August 31, 2020 and November 30, 2020</b>	<u>-</u>	

**c) Warrants**

The following table reflects the continuity of warrants for years ended August 31, 2020 and 2019:

	<u>Number of Warrants</u>	<u>Amount \$</u>
<b>Balance – August 31, 2018 and 2019</b>	3,890,557	533,607
Warrants expired	(1,828,057)	(358,899)
Warrants exercised	<u>(2,062,500)</u>	<u>(174,708)</u>
<b>Balance – August 31, 2020 and November 30, 2020</b>	<u>-</u>	<u>-</u>

Warrant pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models may not necessarily provide a reliable estimate of the fair value of the Company's warrants.

**eXeBlock Technology Corporation**  
**Notes to Consolidated Financial Statements**  
For the periods ended November 30, 2020 and 2019

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**5. INCOME TAXES**

The provision for income taxes reported differs from the amounts computed by applying the applicable income tax rates to the net loss before tax provision due to the following:

	<b>August 31, 2020</b>	August 31, 2019
	\$	\$
Loss before income taxes	(299,721)	(435,370)
Statutory rate	31.0%	31.0%
Tax recovery at statutory rate	(92,914)	(135,027)
Non-deductible items and other	-	267,124
Tax recovery on losses and deductible temporary differences not recognized in the current year	92,914	132,097
Income tax recovery	-	-

At August 31, 2020, the Company has unused non-capital losses in Canada of \$4,768,000 available for carry-forward purposes which expire from 2036 to 2040.

At August 31, 2020 the Company has \$4,973,510 of deductible temporary differences for which no deferred tax asset has been recognized (2019 - \$4,673,713) which is comprised of the following:

	<b>2020</b>	<b>2019</b>
	\$	\$
Tax losses	4,768,000	4,364,365
Share issuance costs	205,510	309,348

**6. RELATED PARTY TRANSACTIONS**

During the period ended November 30, 2020, the Company incurred consultancy fees of \$21,000 (2020 - \$84,000) from a related party, Numus Financial Inc. (“Numus”), a company which provided services under a consultancy agreement for a fee of \$7,000 per month which continues until both Numus and the Company mutually agree to terminate. Numus and its principals are significant shareholders of the Company. Additionally, if the agreement with Numus is cancelled by the Company, a break fee of eighteen months of remuneration, being \$108,000, will be payable to Numus, along with the service fees applicable for the 90 day notice period.

The agreement also provides for the rental of office space and general office services for \$2,550 per month. The Company incurred office rental charges of \$7,650 from Numus for the period ended November 30, 2020 (2020 - \$30,600). If the office space and general office services agreement is cancelled by the Company without notice, a break fee of six months of remuneration, being \$15,300, will be payable to Numus.

In addition, Numus shall have a first right of refusal to act as an advisor on an eXeBlock transaction for a fee of 1.25% of the value of the transaction and Numus, or its subsidiary, shall have a first right of refusal to act as an agent on all financings conducted by the Company.

**eXeBlock Technology Corporation**  
**Notes to Consolidated Financial Statements**  
For the periods ended November 30, 2020 and 2019

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**6. RELATED PARTY TRANSACTIONS (continued)**

The Company also incurred consulting and director fees to certain directors and officers. The following table summarizes the expenses incurred during the periods ended November 30, 2020 and 2019:

<b>Related party</b>	<b>Quarter ended November 30, 2020</b>	<b>Quarter ended November 30, 2019</b>
	\$	\$
Randall Consulting Inc. – for services of Rob Randall, CFO and Corporate Secretary	11,175	26,062
Clarity Communications Inc. – for services of Ken Marshall, CEO	15,000	15,000

**7. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**a) Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going-concern while maximizing the return to stakeholders through the optimization of debt and equity balances.

The capital of the Company consists of items included in equity. The Company has capital resources of cash and cash equivalents and are not subject to external capital requirements.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, the ability of the Company to generate revenue from current and prospective customers, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing.

**b) Fair Values of Financial Instruments**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the consolidated statement of financial position for cash and cash equivalents, deposits and accounts payable approximate their fair values based on the short-term maturities of these financial instruments.

**c) Financial Risk Management Objectives**

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored.

**d) Credit Risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. Cash and cash equivalents are held with reputable banks in Canada. The long-term credit rating of these banks, as determined by Standard and Poor's, was A+.

**7. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

**e) Liquidity Risk**

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. Refer to note 1 for additional details related to the ability of the Company to continue as a going concern.

The Company is currently pursuing financing alternatives. There can be no assurance that additional future financings will be available on acceptable terms or at all. If the Company is unable to obtain additional financing when required, the Company may have to substantially reduce or eliminate planned expenditures.

Accounts payables are paid in the normal course of business generally according to their payment terms. In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities as at November 30, 2020:

	<b>Within 1 year</b>	<b>2-3 years</b>	<b>4-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Accounts payable	57,944	-	-	-	57,944

**f) Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Company entering into transactions which are denominated in currencies other than its functional currency.

The Company is exposed to currency risk on its accounts payable and accrued liabilities that are held in currencies that are not in the transacting entity's functional currency. As at November 30, 2020, a 5% decrease in the exchange rate between the functional currency and foreign currencies would have no effect on the net loss; a 5% increase would increase the net loss by approximately \$nil. The Company currently does not hedge its currency risk.

**g) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. An immaterial amount of interest rate exposure exists in respect of cash balances on the statement of financial position. As a result, the Company is not exposed to material cash flow interest rate risk on its cash balances.

**h) Fair Value Measurements Recognized in the Statement of Financial Position**

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

At November 30, 2020 the Company had no financial instruments that were measured and recognized on the consolidated statements of financial position at fair value other than cash and cash equivalents. In addition, there were no transfers between levels during the year.

## **8. COMMITMENTS AND CONTINGENCIES**

The Company has a consultancy agreement with Numus for the provision of management and accounting services and office rent at a fee of \$9,550 per month, continuing until both parties mutually agree to terminate. The agreement with Numus is subject to break fees, and a first right of refusal on advisory services, as described in Note 6.

The Company from time to time involved in various claims, legal proceedings and complaints arising in the course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial conditions or future results of operations of the Company.

## **9. SUBSEQUENT EVENT**

### **Agreement to acquire Nodalblock Canada Holdings Inc.**

Subsequent to November 30, 2020, the Company entered into a Merger Agreement dated as of December 4, 2020 (the "Definitive Agreement") with Nodalblock Canada Holdings Inc. ("Nodalblock"), pursuant to which the Company will indirectly acquire all the issued and outstanding shares of Nodalblock, which will result in a reverse takeover of the Company (the "Transaction"). Upon completion of the Transaction, eXeBlock will, subject to corporate and CSE approval, change its name to "Oaro Technology Corporation" or such other name as may be approved (the "Resulting Issuer"). The Resulting Issuer will continue the business of Nodalblock.

Nodalblock is a private company formed under the laws of Nova Scotia and operating under the trademark OARO, it connects people to their identities and their information with digital security solutions for Global enterprises including elevated skin temperature screening, photo authentication, facial recognition, paperless ticketing, secure entry solutions and creation of inalterable records. Nodalblock operates in North America from its head office in Halifax Nova Scotia and in Europe through a wholly owned subsidiary incorporated in Spain, Nodalblock S.L. located in Madrid Spain. Nodalblock's list of customers includes international banks, insurance companies, airports, large manufacturers and the Canadian government.

Pursuant to the terms of the Definitive Agreement:

- The Company shall consolidate its common shares on the basis of one (1) post-consolidation common shares of the Company for each 7.33 pre-consolidation common shares of the Company (the "Consolidation");
- Nodalblock shall split its common shares on the basis of 1.5 post-split common shares of Nodalblock for each one (1) pre-split common shares of Nodalblock (the "Split")
- After the Consolidation and Split, the Company shall effectively acquire each of the post-split issued and outstanding Nodalblock common shares, in exchange for one post-consolidation common share of the Company;
- Nodalblock shareholders shall receive one eXeBlock post-consolidation share for each Nodalblock post-split share held; and
- Holders of Nodalblock options and warrants will acquire equivalent options and warrants in the Company.