

NEXCO RESOURCES INC.
#750 – 1095 West Pender Street
Vancouver, British Columbia V6E 2M6
Telephone: 778-938-3367

Trading Symbol: NXU:CSE

NEXCO RESOURCES INC. ANNOUNCES LETTER OF INTENT FOR PROPOSED ACQUISITION OF
SYMPTOMSENSE, LLC AND \$3M NON-BROKERED PRIVATE PLACEMENT

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Vancouver, British Columbia, December 2, 2020 – Nexco Resources Inc. (the “**Company**” or “**Nexco**”) announces that it has signed a letter of intent (the “**Letter of Intent**”) dated November 30, 2020 with SymptomSense, LLC (“**SymptomSense**” or the “**Target**”), a private arm’s length limited liability company incorporated under the laws of the State of New York, pursuant to which the Company proposes to purchase all of the issued and outstanding securities of the Target (the “**Target Securities**”) from the owners of the Target (the “**Transaction**”). Upon completion of the Transaction, the Target will become a wholly owned subsidiary of the Company and the Company will carry on the business of the Target. The Transaction will constitute a Fundamental Change of the Company in accordance with the policies of the Canadian Securities Exchange (the “**CSE**”).

About SymptomSense

SymptomSense™ is the world’s most advanced full body vital sign scanner. SymptomSense™ made national and international news when it was released and featured on NBC’s Today Show in April 2020 in the midst of the COVID-19 pandemic.

SymptomSense™ has gained international attention for its ability to rapidly scan the vitals of individuals and identify if they are expressing symptoms correlated with known illnesses, including COVID-19. The SymptomSense™ gateway scans individuals blood oxygen level, temperature, respiratory rate and heart rate in 10 to 20 seconds. Individuals who express symptoms of known illnesses are prohibited from entering buildings or venues. Large commercial property owners and managers, mall owners, professional sports venue managers, entertainment venues, government agencies, hospitals, international hotel chains and nursing home operators are all interested in leveraging this technology.

“Pandemic hot-spots in the United States and around the world show us that we must remain vigilant and use all means necessary to protect health. This will allow us to reopen and keep open the international economy. SymptomSense™ is proving to be a critical part of the solution. With SymptomSense™ workers, customers, vendors, sports fans and students are scanned reducing the risk of the spread of illness thus creating a safer environment,” said Derek Peterson, CEO of SymptomSense.

Transaction

The Letter of Intent provides that the Company will acquire all of the Target Securities outstanding as at the closing (the “**Closing**”) of the Transaction from the securityholders of the Target (the “**Vendors**”) in exchange for the issuance of common shares of the Company (each, a “**Consideration Share**”) to the Vendors at a deemed price of \$0.15 per Consideration Share as follows:

- (a) the issuance of 13,000,000 Consideration Shares on the Closing; and
- (b) the issuance of up to 40,000,000 Consideration Shares as a post-Closing revenue earn-out as follows:
 - (i) issuance of 10,000,000 Consideration Shares upon the Company achieving \$10,000,000 in “Target Revenue” (meaning, following Closing, the cumulative, consolidated revenue of the Company which is attributable to the Target) within 24 months following the Closing,
 - (ii) issuance of 10,000,000 Consideration Shares upon the Company achieving \$20,000,000 in Target Revenue within 24 months following the Closing,
 - (iii) issuance of 10,000,000 Consideration Shares upon the Company achieving \$25,000,000 in Target Revenue within 24 months following the Closing, and
 - (iv) issuance of 10,000,000 Consideration Shares upon the Company achieving \$50,000,000 in Target Revenue within 24 months following the Closing.

In connection with the Transaction, the Company intends to complete the following:

- (a) an unsecured bridge loan in the amount of US\$2,000,000 to the Target (the “**Bridge Loan**”), in one advance or in multiple tranches, which will be secured against all present and after acquired property of the Target, and which will be offered on the terms which will include, but not be limited to: (i) an interest rate of 5.0% per annum, commencing on the date that is three (3) months from the date of advance of the Bridge Loan (or the date of advance of a tranche of the Bridge Loan, if applicable); (ii) a maturity date (the “**Maturity Date**”) of six (6) months following the date of advance of the Bridge Loan (or the date of advance of the first tranche of the Bridge Loan, if applicable); (iii) principal and accrued interest payable on the Maturity Date, with no obligation to make payment of either principal or interest prior to the Maturity Date; and (iv) covenants limiting the Target’s ability to use proceeds from the Bridge Loan for purposes other than maintenance of working capital. The Company intends to advance at least US\$1,000,000 of the Bridge Loan on or before December 23, 2020 and the remaining amount of the Bridge Loan to the Target not later than January 10, 2021; and
- (b) a non-brokered private placement of units (each, a “**Unit**”) of the Company for aggregate gross proceeds of up to \$3,000,000 at a price of \$0.15 per Unit (the “**Financing**”). Each Unit will consist of one common share and one-half of one non-transferable share purchase warrant (each whole warrant, a “**Warrant**”), and each Warrant will entitle the holder thereof to purchase one additional common share at a price of \$0.30 per common share for a period of two years from the closing of the Financing. The net proceeds from the Financing will primarily be used to advance the Bridge Loan to the Target.

The Consideration Shares will be subject to a voluntary escrow agreement (the “**Escrow Agreement**”), to be effective as of the closing of the Transaction (the “**Closing**”). The Escrow Agreement will provide, among other things, that all Consideration Shares will be deposited into escrow with an escrow agent, to be determined by the Company, as at the applicable date of issuance, to be released from escrow as follows:

- (a) 10% on the date of issuance;
- (b) 15% on the date that is 6 months following the date of issuance;
- (c) 15% on the date that is 12 months following the date of issuance;
- (d) 15% on the date that is 18 months following the date of issuance;
- (e) 15% on the date that is 24 months following the date of issuance;
- (f) 15% on the date that is 30 months following the date of issuance; and
- (g) 15% on the date that is 36 months following the date of issuance.

Upon the Closing, the board of directors of the Company will be comprised of five directors, of which two will be nominees of the Company, two will be nominees of the Target, and one will be a nominee mutually agreed to by the Company and the Target.

The Company expects to pay a finder's fee of 1 million common shares of the Company in connection with the Transaction.

Conditions of the Transaction

Completion of the Transaction remains subject to, among other things, satisfactory due diligence by the parties, entry into a definitive agreement, approval of the CSE, completion of the Financing, approval of the shareholders of the Company, if applicable, and other conditions which are customary for transactions of this nature.

The Transaction will be completed pursuant to available exemptions under applicable legislation. The Consideration Shares are expected to be subject to a hold period expiring four months and one day after the applicable date of issuance.

The parties have agreed to enter into a definitive agreement on or prior to December 23, 2020, which would replace and supersede the Letter of Intent. The Target has agreed to an exclusivity provision until the Letter of Intent is terminated or superseded by the definitive agreement. Closing of the proposed Transaction is expected to be on or before April 30, 2021.

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein in the United States. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to the account or benefit of a U.S. person absent an exemption from the registration requirements of such Act.

Completion of the Transaction is subject to a number of conditions, including CSE acceptance. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

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

ON BEHALF OF THE BOARD

Zayn Kalyan, Interim Chief Executive Officer
Telephone: 778-938-3367
Email: zayn@altuscapital.ca

Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements in this news release include statements regarding: the parties will enter into a definitive agreement regarding the Transaction; the date of closing of the Transaction; the consideration to be payable in connection with the Closing; the terms of the proposed Financing and the expected use of proceeds thereof; the terms of the proposed Bridge Loan; the expected changes to management of Nexco in connection with the Closing; and the COVID-19 pandemic, including that SymptomSense™ will continue to be a critical part of the solution to the pandemic. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements.

Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. Factors that could cause actual results or events to differ materially from current expectations include, among other things: that the parties may not be able to agree to terms for the definitive agreement by the agreed upon deadline or at all; that the CSE may not approve the Transaction as proposed or at all; that the parties may not be able to satisfy the conditions to closing of the Transaction; that Nexco may not be able to complete the Financing and the Bridge Loan; general market conditions; risks associated with the COVID-19 pandemic; and other factors beyond the control of the parties. Nexco expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.