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Nexco Announces Unsecured Convertible Debenture Financing

Vancouver, British Columbia, June 21, 2021 – Nexco Resources Inc. (the “**Company**” or “**Nexco**”) is pleased to announce a non-brokered private placement of unsecured convertible debentures (each, a “**Debenture**”) of the Company for total gross proceeds of up to \$2,000,000 (the “**Offering**”).

The Debentures will bear interest at 10% per annum, from the date of issuance (the “**Closing**”), payable upon the earlier of the Maturity Date (as defined below) or the date of any conversion thereof. The Debentures will mature on the date that is one year from the date of issuance (the “**Maturity Date**”).

At the Maturity Date, the outstanding Debentures will automatically convert into units of the Company (each, a “**Unit**”) at the following conversion price: (a) if the Company’s previously announced acquisition (the “**Transaction**”) of Soter Technologies, LLC (“**Soter Technologies**”) has not yet closed, \$0.225 per Unit (the “**Conversion Price**”), with each Unit consisting of one common share in the capital of the Company (each, a “**Share**”) and one-half of one non-transferable share purchase warrant (each whole warrant, a “**Warrant**”), with each Warrant exercisable into one Share (each, a “**Warrant Share**”) at a price of \$0.75 per Warrant Share for a period of two years from the date of the Closing (the “**Closing Date**”); and (b) if the Transaction has closed, the greater of: (i) the Conversion Price and (ii) a price (the “**Alternative Conversion Price**”) equal to 75% of the price per security at which equity securities are issued by the Company in the concurrent financing carried out in connection with the Transaction (the “**Concurrent Financing Price**”). In the event that the conversion occurs at the Alternative Conversion Price, each Warrant will be exercisable into a Warrant Share at a price equal to three times the Concurrent Financing Price.

In the event that, prior to the Maturity Date, the Transaction has closed, at the option of a Debenture holder, an outstanding Debenture may be converted into Units at a conversion price equal to the greater of: (i) the Conversion Price; and (ii) the Alternative Conversion Price. In the event that the conversion occurs at the Alternative Conversion Price, each Warrant will be exercisable into a Warrant Share at a price equal to three times the Concurrent Financing Price.

The Company intends to close the Offering on or before July 9, 2021. The proceeds of the Offering are expected to be used for a bridge loan to Soter Technologies and general working capital. Completion of the Offering is subject to the receipt of all required regulatory approvals. Finder’s fees may be paid in connection with the Offering in accordance with applicable laws. The Debentures and the securities issuable upon conversion of the Debentures will be subject to a statutory hold period expiring on the date that is four months and one day after the Closing Date.

ON BEHALF OF THE BOARD

Zayn Kalyan, Interim Chief Executive Officer
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The Company previously announced that it had entered into a business combination agreement with Soter Technologies and the securityholders of Soter whereby the Company has agreed to acquire all of the issued and outstanding securities of Soter and the business of Soter by way of a securities exchange transaction.

None of the securities issued in connection with the Transaction will be registered under the *United States Securities Act* of 1933, as amended (the “**1933 Act**”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

Completion of the Transaction is subject to a number of conditions, including but not limited to, obtaining the requisite shareholder and regulatory approvals, the acceptance by a Canadian stock exchange of the listing of the Company’s common shares following the Transaction and other conditions set out in the definitive securities exchange agreement between the parties. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in any management information circular or disclosure document to be prepared in connection with the Transaction, 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.

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 Transaction and the completion thereof; the Offering and the completion thereof, at all or on the terms announced; and the intended use of proceeds of the Offering. 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 satisfy the conditions to closing of the Transaction; the inability of the Company to complete the Offering at all or on the terms announced; that the proceeds of the Offering may be used for uses other than as set out in this news release; 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, and the Company does not assume any liability for disclosure relating to any other company mentioned herein.