

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

Trading Symbol: CSE:N XU

NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR
FOR DISSEMINATION IN THE UNITED STATES

Nexco Announces Closing of 3rd and Final Tranche of Convertible Debenture Financing

Vancouver, British Columbia, August 25, 2021 – Nexco Resources Inc. (the “**Company**” or “**Nexco**”) is pleased to announce it closed the third and final tranche of its non-brokered private placement of unsecured convertible debentures (each, a “**Debenture**”) of the Company on August 25, 2021 for \$720,500, for total gross proceeds of \$2,030,000 (the “**Financing**”), as previously announced on June 21, 2021.

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; 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 (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.

All securities issued in connection with the third tranche will be subject to a hold period expiring December 26, 2021. The proceeds of the Financing are for a bridge loan to Soter Technologies and general working capital. Completion of subsequent tranches of the Financing are subject to the receipt of all required regulatory approvals. In connection with the closing of the third and final tranche, the Company paid finder’s fees in the amount of \$57,640 and issued 230,560 broker warrants exercisable at \$0.25 for two years, subject to a hold period expiring on December 26, 2021.

ON BEHALF OF THE BOARD

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

The Company has previously announced the Transaction with Soter Technologies.

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; 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.