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X1 Announces Proposed Share Consolidation and Convertible Debenture Financing

VANCOUVER, BC – November 1, 2023 – X1 Entertainment Group Inc. (CSE:XONE; OTCQX:XOEEF; FSE: Z10) (“**X1**” or the “**Company**”) announces that it intends to consolidate its common shares (the “**Shares**”) on a five (5) for one (1) basis (the “**Share Consolidation**”). The Company currently has 47,577,491 Shares issued and outstanding. Following the proposed Share Consolidation, the Company will have approximately [9,515,498] Shares issued and outstanding.

The Share Consolidation was approved by the board of directors of the Company, but remains subject to the approval of the Canadian Securities Exchange (the “**CSE**”). The Company will issue a further news release upon receiving CSE approval, announcing the effective date of the Share Consolidation.

Convertible Debenture Financing

The Company is also pleased to announce that it intends to complete a non-brokered private placement of unsecured convertible debentures (“**Debentures**”) for gross proceeds of up to \$500,000 (the “**Offering**”). A portion of the Offering, approximately \$150,000, is anticipated to be the distribution of Debentures in settlement of existing debt. The Debentures will mature on the date (the “**Maturity Date**”) that is 12 months from the date of issuance (the “**Closing Date**”) and shall bear interest at a rate of 5.0% per annum from the Closing Date, payable on the earlier of the Maturity Date or the Conversion Date (defined herein). The Company shall have the right to pay all accrued and unpaid interest either in cash or in Units at a price of \$0.055 per Unit, in its sole discretion, and on the Maturity Date shall also have the right to convert the principal amount of the Debentures into Units rather than repay in cash.

The principal amount of Debentures may be converted into units of the Company (“**Units**”), in whole or in part, at the option of the holder, at any time following the Closing Date but on or before the Maturity Date, into Units at a price of \$0.055 per Unit (such date of conversion being referred to herein as the “**Conversion Date**”).

Each Unit will consist of one post-Share Consolidation Share and one post-Share Consolidation Share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one additional post-Share Consolidation Share (a “**Warrant Share**”) at a price of \$0.055 per Warrant Share for a period of 24 months from the date of issuance.

The Company intends to use the net proceeds from the Offering for working capital to allow the Company to explore strategic acquisition opportunities (and pay costs related to legal, accounting, and diligence as it relates to such acquisition opportunities), as well as settling current debts to the Company's lawyers and auditors. Closing of the Offering is expected to occur as soon as practicable and may occur in one or more tranches.

Any securities issued in connection with the Offering will be subject to applicable resale restrictions as prescribed by National Instrument 45-102 *Resale of Securities* and the policies of the CSE.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful. Such securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and, accordingly, may not be offered or sold in the United States or to, or for the account or benefit of, "U.S. persons" (as those terms are defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

About X1

X1 Entertainment Group Inc. is a portfolio company that has targeted assets across the gaming, esports, media, and entertainment industries. Based in Vancouver, BC, the Company is publicly traded on the Canadian Securities Exchange under the ticker symbol (CSE:XONE).

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This news release contains "forward-looking information" which may include, but is not limited to, statements with respect to the Share Consolidation, the Offering, and the anticipated use of proceeds therefrom. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking information in this news release. Additional risk factors can also be found in the Company's public filings under the Company's SEDAR+ profile at www.sedarplus.ca. Forward-looking statements contained herein are made as of the date of this news release and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management's estimates or

opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

The Canadian Securities Exchange has neither approved nor disapproved the information contained herein and does not accept responsibility for the adequacy or accuracy of this news release.