



X1 Closes Second Tranche of Fully Subscribed Special Warrant Financing

VANCOUVER, BC – August 12, 2024 – X1 Entertainment Group Inc. (CSE:XONE; OTCQX:XOEEF; FSE: QN9) (“**X1**” or the “**Company**”) is pleased to announce that, pursuant to its news release dated August 7, 2024, it has closed the second and final tranche of its previously announced non-brokered private placement (the “**Offering**”), issuing 3,660,000 special warrants (the “**Special Warrants**”) at a price of \$0.25 per Special Warrant for gross proceeds of \$915,000 (the “**Second Tranche**”). The total proceeds raised in the Offering are the maximum of \$3,000,000.

Each Special Warrant will automatically convert, without the payment of any additional consideration, into one unit of the Company (a “**Unit**”) on the date that is three business days (the “**Conversion Date**”) following the satisfaction of the following conditions (together, the “**Conversion Conditions**”):

- (a) the passing of resolutions of shareholders of the Company authorizing and approving each of the Company’s change of business to a mineral exploration company (the “**COB**”), and the Offering;
- (b) receipt by the Issuer of conditional approval for the COB from the Canadian Securities Exchange; and
- (c) the closing of the Company’s acquisition of a 100% interest in the Manson Bay Project from SKKR Exploration Inc. (the “**Transaction**”).

Each Unit will consist of one common share in the capital of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one additional Common Share (a “**Warrant Share**”) at a price of \$0.30 per Warrant Share for a period of twenty-four (24) months from the date of issuance.

The gross proceeds of the Offering, including the Second Tranche (the “**Escrowed Proceeds**”), will be held in escrow on behalf of the subscribers by the Company, in a segregated interest bearing account. If the Conversion Date does not occur on or before 5:00 p.m. (Vancouver time) on the date that is 120 days after the closing of the Offering (the “**Release Deadline**”), the Special Warrants will immediately become null, void and of no further force or effect and the Escrowed Proceeds will be returned to the holders of Special Warrants in an amount per Special Warrant equal to: (i) the subscriber’s aggregate offering price paid for the Special Warrants; and (ii) a pro rata share of interest, if any, actually earned on the Escrowed Proceeds to the date of the Release Deadline (less any applicable withholding taxes).

As the number of securities issuable in the Concurrent Financing is more than 100% of the Company’s issued and outstanding Common Shares, the Company is required to obtain

shareholder approval for the Concurrent Financing pursuant to Section 4.6(2)(a) of CSE Policy 4 – *Corporate Governance, Security Holder Approvals, and Miscellaneous Provisions*. The Company will be seeking shareholder approval for the Offering at its annual general and special meeting to be held on August 14, 2024.

The Company intends to use the net proceeds from the Offering, including the Second Tranche, for (i) expenses incurred in connection with the Transaction and COB, (ii) completion of the work program on the Manson Bay Property, (iii) consulting, management, and director fees, (iv) marketing and investor relations, and (v) general and administrative expenses.

The securities issued pursuant to the Second Tranche have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons in the absence of U.S. registration or an applicable exemption from the U.S. registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful.

About X1

X1 Entertainment Group Inc. is a public company based in Vancouver, BC whose common shares are listed on the Canadian Securities Exchange under the ticker symbol (CSE:XONE). The Company has entered into a definitive asset purchase agreement with SKRR Exploration Inc pursuant to which the Company has agreed to acquire a 100% legal and beneficial interest in thirteen (13) contiguous mineral claims totaling 4,293.213 hectares located in the Province of Saskatchewan known as the Manson Bay Property.

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This news release contains “forward-looking information” which may include, but is not limited to, statements with respect to the anticipated use of proceeds from the Offering. 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.