



BLOK Technologies Enters into Letter of Intent to Acquire Sierra Blockchain, Inc.

VANCOUVER, British Columbia, Feb. 26, 2019 -- **BLOK Technologies Inc. ("BLOK Tech" or the "Company") (CSE: BLK) (FRANKFURT: 2AD)** is pleased to announce it has entered into a non-binding letter of intent ("LOI") with Sierra Blockchain, Inc. ("SIERRA"), a private US corporation, to acquire 100% of the issued and outstanding shares.

The LOI was signed on February 25th, 2019 and will be superseded by a formal Definitive Stock Acquisition Agreement (the "**Acquisition Agreement**"). The transaction will be subject to requisite regulatory approvals including the approval of the Canadian Securities Exchange (the "**CSE**") and other conditions. BLOK Tech will be conducting due diligence including an independent asset valuation and technical evaluation of the Software. The Company will not be paying a finder's fee on the transaction.

Transaction Details

- BLOK Tech will issue SIERRA 24,000,000 shares of common stock of BLOK Tech at the closing price on the CSE as of February 26th, 2019 (\$0.025), which may be subject to escrow requirements pursuant to CSE policy.
- The BLOK Tech shares shall be distributed pro-rata to the shareholders of SIERRA such that each SIERRA shareholder will receive their pro-rata shares of BLOK Tech.
- Upon consummation of the Acquisition, the existing Board of Directors of BLOK Tech will appoint one new Board member of the choosing of SIERRA to the Board of BLOK Tech.
- Following consummation of the Acquisition, the new Board will name a new management team consisting of persons from either SIERRA, BLOK Tech or others of the Board's choosing.
- The transaction is arms length.

About Sierra

SIERRA is a developer of various software tools and apps utilizing proprietary blockchain methodologies. SIERRA has a license agreement with Intensity Mining Corp. to develop new products derived from Intensity's proprietary "low power" blockchain suite of tools.

In the course of pursuing mining of various coins including Bitcoin and Litecoin, Intensity developed a mining methodology using several proprietary modules which allowed rapid mining of coins utilizing PC's running Windows™. Intensity remains focused on improving its mining software and believes the suite of tools have other applications in Fintech, Logistics Management, Inventory, and other areas commonly associated with blockchain development, resulting in the product development license with Sierra Blockchain.

The major advantage of low-power blockchain is that applications which ordinarily would be designed using a "cloud-based" architecture can now be designed conceptually around a node protocol wherein each authorized user becomes a node on the blockchain connected by a UDP-based node-to-node connectivity protocol. The licensed low-power blockchain also has a proprietary, multiplexed encryption architecture which is highly secure.

The low-power blockchain is powered by devices which are already in the hands of the end users, and the node protocol greatly reduces the security risk of existing and commonly used architectures which require users to access the blockchain through the cloud.

The conceptual advantages of a low-power blockchain in wide-scale, multi-user applications are many-fold and include:

- Use of Windows™ based desktops, laptops, and portable devices means end users will have immediate familiarity with the applications (IOS based applications are also under development);
- Lowered hardware costs through use of devices already in the hands of users;
- Lessened security risk due to use of UDP node-based protocol;
- No use of HTTPS or other less secure browser protocols;
- No use of the Domain Name System (DNS);
- Use of a proprietary highly secure, multiplexed encryption system;
- Green-Tech Software – dramatically lower energy use and cost than conventional approaches;

In summary, the acquisition of SIERRA gives Blok Tech access to a whole new suite of tools and proprietary techniques which are unique in the blockchain development space. Blok Tech looks forward to further announcements to its shareholders and the investment community at large.

"We are very pleased with the potential of adding SIERRA to our blockchain-enabled product suite," said BLOK Tech Director Yari Nieken. "The Sierra suite of products is feature-rich with blockchain technology, we believe it will be an efficient and effective technology solution for businesses and consumers. Fintech are key areas of focus for us, and we have strategically

targeted these sectors for investment and product development.”

“I am delighted that we have found a solid partner in BLOK Tech to move our low power blockchain suite of tools forward,” said SIERRA Vice President John Ryan. “We have invested in the development and application of our technology platform and it is ready for blockchain business amalgamation and market deployment. Together with BLOK Tech we will commercialize our suite of products to serve the needs of consumer and industries in our target markets.”

About BLOK Technologies Inc.

BLOK Technologies Inc. is a public company that invests in and develops companies in the blockchain and emerging technology sectors. The Company’s approach is to provide capital, technology and management expertise to the companies it develops. BLOK Tech’s current portfolio includes Greenstream, a technology platform designed to effectively manage value transfer, supply chain integrity and identity verification in complex and highly regulated industries. This scalable and adaptable platform is being developed on the Hyperledger technology stack and with the support of Oracle Cloud infrastructure. BLOK Tech continues to grow its business into adjacent industries and emerging technologies. The Company systematically identifies early-stage technologies with potential to disrupt and innovate within their industry and invests the necessary resources to ensure the success of their projects.

For additional information regarding BLOK Technologies and other corporate information, please visit the Company’s website at BLOKTECHINC.COM

ON BEHALF OF THE BOARD OF DIRECTORS

“James Hyland”

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