



NASS VALLEY GATEWAY Ltd.

Trading Symbols

CSE: NVG
Deutsche Borse, Frankfurt: 3NVN
Germany: WKN A1JVHM/
ISIN CA6315202029
www.nassvalleygateway.com

NEWS RELEASE

Nass Valley Gateway signs LOI for Fundamental Change

Richmond, BC, Canada – February 8, 2017

Nass Valley Gateway Ltd. (the “Company” or “Nass Valley”) reported in its last two monthly reports to the Canadian Securities Exchange (“CSE”) that it had shortlisted two qualifying targets for a possible acquisition and management had undertaken considerable reviews and due diligence, which included a trip to Europe by its President negotiating with Target-1 an acceptable outcome for the Company. Even though the project was very promising, the Company had to notify Target-1’s principals last month that their demands were not in the best interest of NVG’s shareholders and recommended to them to look for alternatives.

Nass Valley has followed up on its backup targets and wishes to announce that it has entered into a Letter of Intent (the “LOI”) as a binding basis for a Definitive Asset Purchase Agreement (“DAP-Agr”). The terms of the LOI grant the Company an exclusive right to acquire 100% of IXI Treasury Holdings Ltd. (“ITHL”), which is a private company incorporated under the Companies Ordinance, Chapter 32 of the Laws of Hong Kong on July 24 2012. ITHL acquired ownership of Brazilian Government Treasury Bonds (“Assets-ITHL”) with a confirmed “Face Value” of US\$ 625,660,025 as to ITHL’s audited financial statements dated June 30, 2016 (the “ITHL-FS”), which will be updated for the execution of the DAP-Agr and the regulatory approval of the transaction.

In accordance with the terms of the LOI, Nass Valley will seek approval for a “Reversed Split” of its share capital at ratio of 2:1 and subsequent to regulatory approval of the DAP-Agr will issue two Series of convertible preferred Class A shares (“Pref-A Shares”) with a deemed value of C\$ 5.00 per Pref-A Share for an agreed upon discounted asset value of US\$300 Million equating to a defined Assets-ITHL value of 400 Million Canadian Dollars (C\$400,000,000).

ITHL and its shareholders have agreed that all Pref-A Shares [Series one(1) and Series two(2)] will have no voting rights and will be converted only upon prior approval of the CSE and that the Pref-A Shares will be issued in stages following agreed upon milestones:

- subsequent to Regulatory Approval, NVG will issue 40,000,000 Pref-A Shares, Series-1 (“Pref-A1 Shares”) based on an initial deemed value of C\$200,000,000, representing 50% of the discounted total Assets-ITHL, at a conversion ratio of one to one (1:1);
- ITHL’s shareholders will arrange a bond financing of C\$2,000,000 (“Bond-1”), or a private placement in the same amount, within 120 Banking Days after Regulatory Approval;

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- upon closing of Bond-1, NVG will issue an additional 40,000,000 Pref-A Shares, Series-2 (“Pref-A2 Shares”), having the same rights as the Pref-A1 Shares. The number of Pref-A2 Shares will represent the balance of the total discounted asset value of C\$400,000,000 and the deemed value will also be C\$5.00 per Pref-A2 Share. The Pref-A2 Shares will be convertible into NVG’s common shares at a conversion ratio of (1:1) and be convertible at any time subsequent to the regulatory approval and only upon prior approval of the CSE;
- the shareholders of ITHL have acknowledged that the NVG shares resulting from the issuance of the conversion of all Pref-A may be escrowed as a request by the CSE and be subject to certain conditions as set forth in the Escrow Agreement; and
- upon the issuance of the Pref-A2 Shares ITHL will arrange a second funding via a bond (“Bond-2”) issue, or a mutually agreed upon alternative funding, in the amount C\$ 3,000,000 in order to provide the Resulting Issuer with the agreed upon working capital within 6 months from the Regulatory Approval.

The Company will use the proceeds from the committed financings for the acquisition of business in the clean energy segment and general corporate working capital.

Nass Valley is also very pleased to announce the appointment of Mr. James Holmes to the Board of Directors of the Company. James Holmes has helped grow a number of businesses in Europe and runs currently a property company with leisure, serviced office, property financing and development divisions leading a team of over 30 professionals in four offices. He also was one of the first investors in Chinese education.

Dieter Peter, President, commented: “Nass Valley seeks to invest and develop waste-to-energy and/or modalities based on clean technology platforms that provide truly unique capabilities in respect to its targeted strategies. This potential transaction would place the Company in a strong strategic position with a strong asset base and I am therefore especially delighted that James Holmes agreed to join Nass Valley’s board as with his practical experience in financial management and investments and risk estimations he will bring tremendous knowledge and value to the company’s future growing and more complex financial needs.”

As the LOI is considered to be binding, the trading of the Company’s shares will be halted pending approval of the transaction by the CSE.

We seek Safe Harbor.

For further information please contact:
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The CSE has not reviewed, and does not accept responsibility for the adequacy or accuracy of the contents of this news release.