

FORM 51-102F3
Material Change Report

Item 1. Reporting Issuer

Hello Pal International Inc. (the “**Company**”)
550 Denman Street, Suite 200
Vancouver, British Columbia
V6G 3H1

Item 2. Date of Material Changes

Material changes took place on March 5, 2021 and March 7, 2021.

Item 3. Press Release

On March 8, 2021, a new release was disseminated by PR Newswire in respect of the material changes. A copy was filed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Item 4. Summary of Material Changes

The Transaction

On March 5, 2021, the Company entered into a letter of intent (“**LOI**”) with Shanghai Yitang Data Technology Co. Ltd. (“**Yitang**”) to acquire: (i) a 15% interest in a cryptocurrency mining facility (the “**Mining Facility**”) located in North-West-China dedicated to mining Dogecoin (“**DOGE**”) and Litecoin (“**LTC**”). The Company maintains an option to increase their interest to a total of 35%; and (ii) an initial 51% interest in certain mining rigs dedicated to mining DOGE and LTC with an option to increase this to a 100% interest (the “**Mining Assets**”) (collectively, with the purchase of the Mining Facility, the “**Transaction**”).

The Offering

On March 7, 2021, the Company entered into an engagement letter with Canaccord Genuity Corp. (“**Canaccord**”) pursuant to which Canaccord agreed to act as an agent for a “commercially reasonable efforts” private placement of 4,000,000 subscription receipts (the “**Initial Offering**”) at a price of \$1.25 per subscription receipt for total proceeds of \$5,000,000. The Company has also granted to Canaccord an option to increase the size of the Initial Offering by a total of 4,000,000 additional subscription receipts for total additional proceeds of \$5,000,000 (together with the Initial Offering, the “**Offering**”). Each subscription receipt will automatically be exercised into one common share (each, a “**Common Share**”) and one-half of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”) upon the satisfaction of certain escrow release conditions.

Item 5.

Full Description of Material Changes

The Transaction

On March 5, 2021, the Company and Yitang entered into the LOI in which the Company agreed to purchase from Yitang a 15% interest in the Mining Facility with an option to increase their interest to 35%. The payment price for the initial 15% interest in the Mining Facility is RMB 5,000,000 (approximately \$975,000 but subject to fluctuations in the exchange rate). The payment price for the option to increase the Company's interest to 35% will be based on a cash payment agreed upon by the parties but may not exceed RMB 8,000,000 (approximately \$1,560,000 but subject to fluctuations in the exchange rate). The purchase price for the initial 51% of the Mining Assets is \$1,500,000 cash and 1,800,000 units of the Company with a deemed value of \$2,250,000. Each such unit will consist of one Common Share and one-half of one Warrant. Each Warrant will be exercisable for a price of \$2.00 for a period of two years following the date of issuance.

The Company will also have an option to purchase a further 49% interest in the Mining Assets for an additional payment that is half cash and half Common Shares, where the valuation will be dependent on the net profit of the Mining Assets over the 12-month period immediately preceding the date on which the option is exercised using a formulated multiplier outlined in the LOI.

The Offering

On March 7, 2021, the Company and Canaccord entered into an engagement letter for a "commercially reasonable efforts" private placement of the Initial Offering plus an additional 4,000,000 subscription receipts forming the Offering. Each subscription receipt will automatically be exercised into one Common Share and one-half of one Warrant upon the satisfaction of the Escrow Release Conditions (defined below). Each Warrant will allow the holder to purchase one Common Share at a price of \$2.00 for a period of two years after: (i) all conditions precedent to the completion of the Transaction have been satisfied including any necessary government and regulatory approvals and shareholder approvals; (ii) the Company satisfies all the conditions of the agency agreement and is not in breach or default of any of the conditions of the agency agreement; (iii) the agents have received an officers' certificate from the Company's officers that it has instructed counsel to issue the securities underlying the receipts and complete the Transaction; and (iv) a notice from the Company is sent to the escrow agent stating that the conditions of the Transaction have been satisfied or waived other than the release of certain escrowed funds to the Company pursuant to the subscription agreements (collectively, the "**Escrow Release Conditions**").

In connection with the Offering, Canaccord will receive: (i) a cash commission (the "**Commission**") totaling 7% of the aggregate gross proceeds of the Offering; (ii) non-transferrable warrants (the "**Broker Warrants**") equal to 7% of the aggregate number of subscription receipts sold under the Offering; and (iii) a cash payment of \$100,000 and 80,000 Common Shares at a deemed price of \$1.25 per Common Share. Each Broker Warrant will be exercisable into one Common Share at a price of \$1.25 for a period of two years following the satisfaction of the Escrow Release Conditions.

Proceeds from the Offering will be used to fund the Transaction, to purchase further potential assets pursuant to the Company's cryptocurrency strategy, to expand the Company's livestreaming services and for general working capital purposes. The offering is expected to close on or around April 15, 2021.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

Gunther Roehlig, Chief Financial Officer
(604) 617-5421

Item 9. Date of Report

March 12, 2021

Caution Regarding Forward-Looking Information and Statements:

Information set forth in this material change report contains forward-looking statements, including expectations regarding completion of the Transaction and the Offering, including the expected use of proceeds from the Offering and the anticipated closing date of the Offering. These statements reflect management's current estimates, beliefs, intentions, and expectations; they are not guarantees of future performance. The Company cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company's control. Such risks and uncertainties are described in the Company's annual and interim financial statements available on www.sedar.com. Although the Company is currently generating revenues, the Company remains in the growth stage and such revenues are yet to be profitable. Accordingly, actual, and future events, conditions and results may differ materially from the estimates, beliefs, intentions, and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information.