

Hello Pal Announces Closing of C\$7.25 Million Subscription Receipt Financing

VANCOUVER, BC, May 12, 2021 /CNW/ -- [Hello Pal International Inc.](#) ("Hello Pal" or the "Company") (CSE: HP) (Frankfurt: 27H) (OTCQB: HLLPF), a provider of an international live-streaming, language learning and social-crypto platform, is pleased to announce that it has closed its previously announced brokered private placement (the "Offering") of subscription receipts (the "Subscription Receipts") with Canaccord Genuity Corp. (the "Agent"), acting as sole agent and bookrunner. Pursuant to the Offering, the Company sold 5,800,000 Subscription Receipts, at a price of C\$1.25 per Subscription Receipt (the "Offering Price"), for aggregate gross proceeds of C\$7,250,000.



Hello Pal Chief Executive Officer and Director, KL Wong states, *"We thank Canaccord, new investors and our existing shareholders for their support via this significant financing. The strong demand for this offering is a testament to our highly-accretive acquisition of Dogecoin and Litecoin mining assets and the continued robust growth of our live-streaming services. Upon receipt of the proceeds of this Offering and after purchasing our 51% interest in Crypto Pal, we will have a strong balance sheet with over \$7.4 million cash, minimal debt and will be very active in increasing our live-streaming user base as well as carrying out strategic acquisitions."*

The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") among the Company, the Agent and Computershare Trust Company of Canada, as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering (less 50% of the Agent's cash commission and all of the Agent's estimated expenses) (the "Escrowed Funds") have been placed in escrow pending satisfaction of certain escrow release conditions (the "Escrow Release Conditions"), which include all conditions precedent to (a) the completion of the Company's indirect acquisition of an interest in a number of mining rigs dedicated to mining Dogecoin and Litecoin (the "Mining Assets") through the acquisition of an initial 51% interest in Crypto Pal Technology Ltd. ("Crypto Pal"), a company controlled by Shanghai Yitang Data Technology Co. Ltd. ("Yitang"), with an option to increase such interest to 100%, and (b) Crypto Pal's entry into a guaranteed services agreement with Yitang whereby Yitang will guarantee the hosting of the Mining Assets as well as power supply, and will provide management and hosting services related to the Mining Assets (together, the "Transaction") having been satisfied, including any necessary government and regulatory approvals and shareholder approvals, and certain other customary escrow release conditions. Upon satisfaction of the Escrow Release Conditions, the Escrowed Funds, together with any interest earned thereon, will be released to the Company and each Subscription Receipt shall be automatically exercised, without any further consideration or action by the holder thereof, into one unit of the Company (each, a "Unit"). Each Unit will consist of one common share in the capital of the Company (each, a "Common Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will be exercisable to acquire one common share of the Company (each, a "Warrant Share") at a price of \$2.00 for a period of two years after the satisfaction of the Escrow Release Conditions, subject to adjustment in certain events.

The Escrowed Funds are expected to 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. If the Escrow Release Conditions are not satisfied by May 31, 2021 or such later date as agreed to by the Company and the Agent, the escrowed proceeds from the sale of the Subscription Receipts will be returned to purchasers and the Subscription Receipts will be cancelled.

As consideration for the services provided by the Agent in connection with the Offering, the Agent received (i) a cash commission of C\$396,602.50, 50% of which was paid on closing of the Offering and the other 50% of which will be payable upon satisfaction of the Escrow Release Conditions, (ii) a fiscal advisory fee of C\$110,897.50, which will be payable upon satisfaction of the Escrow Release Conditions, and (iii) a cash fee equal to C\$200,000, which was paid one-half in cash and one-half in Common Shares at the Offering Price (80,000 Common Shares) (the "Corporate Finance Shares"). As additional consideration, the Agent will be issued 406,000 non-transferable warrants (the "Broker Warrants") following the satisfaction of the Escrow Release Conditions. Each Broker Warrant will be exercisable to acquire one Common Share at a price of \$1.25 for a period of two years after the satisfaction of the Escrow Release Conditions.

The Subscription Receipts (and the securities underlying the Subscription Receipts) and the Corporate Finance Shares are subject to a statutory hold period of four months and one day, expiring on September 13, 2021.

The Company expects to complete the Transaction on or about May 26, 2021.

The securities offered have not been registered under the *U.S. Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the 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 any State in which such offer, solicitation or sale would be unlawful.

To download Hello Pal please visit the IOS or Android store. For information with respect to the Company or the contents of this news release, please contact the Company at (604) 683-0911 or visit the website at hellopal.com. Email inquiries can be directed to: investors@hellopal.com.

About the Hello Pal Platform

The Hello Pal Platform is a proprietary suite of mobile applications built on a user-friendly messaging interface that focus on social

interaction, language learning and travel. Hello Pal, has been designed from the ground up to be easy to use and enables users' the freedom to speak in their own language regardless of the other person's language they are speaking to. Hello Pal's overriding mission is to bring the world closer together through social interaction, language learning and travel. By creating a platform where it is easy to instantly interact with others around the world and giving them the tools to communicate with each other in a joyful and fun way, we hope to do our part (however small) in fostering understanding and tolerance between all citizens of the world.

Information set forth in this news release contains forward-looking statements, including expectations regarding timing for completion of the Transaction, the satisfaction of the Escrow Release Conditions, the use of proceeds from the Offering, expectations regarding accretion and the continued growth of the Company's live-streaming services and expectations regarding the activities and financial position of the Company following receipt of the proceeds of the Offering, including increases to the Company's live-streaming user base and carrying out strategic acquisitions. These statements reflect management's current estimates, beliefs, intentions, and expectations; they are not guarantees of future performance. Hello Pal 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 Hello Pal's control. Such risks and uncertainties are described in Hello Pal's annual and interim financial statements available on www.sedar.com. Although Hello Pal is currently generating revenues, Hello Pal 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, Hello Pal undertakes no obligation to publicly update or revise forward-looking information.

THE CSE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED HEREIN AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE

Hello Pal International

www.hellopal.com

p 604-683-0911

View original content:

<http://www.prnewswire.com/news-releases/hello-pal-announces-closing-of-c7-25-million-subscription-receipt-financing-301289417.html>

SOURCE Hello Pal International Inc.

View original content: <http://www.newswire.ca/en/releases/archive/May2021/12/c2527.html>

%SEDAR: 00003824E

CO: Hello Pal International Inc.

CNW 09:00e 12-MAY-21