

**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**

May 12, 2021.

**Item 3. Press Release**

A news release was disseminated through PR Newswire on May 12, 2021 and subsequently filed under the Company’s profile on SEDAR.

**Item 4. Summary of Material Changes**

On May 12, 2021, the Company 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.

**Item 5. Full Description of Material Changes**

On May 12, 2021, the Company closed the Offering. 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.

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.

**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**

May 19, 2021

**Caution Regarding Forward-Looking Information and Statements:**

*Information set forth in this material change report contains forward-looking statements, including expectations regarding timing for completion of the Transaction, the satisfaction of the Escrow Release Conditions and the use of proceeds from 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](http://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.*