

AGENCY AGREEMENT

May 12, 2021

Hello Pal International Inc.
200 - 550 Denman Street
Vancouver, BC
V6G 3H1
Attention: KL Wong

Dear Sir:

Canaccord Genuity Corp. (the “**Agent**”) understands that Hello Pal International Inc. (the “**Company**”) proposes to create, offer, issue and sell 4,000,000 subscription receipts of the Company (the “**Subscription Receipts**”).

The Agent further understand that the Subscription Receipts are being issued in connection with the Company’s proposed indirect acquisition from Shanghai Yitang Data Technology Co. Ltd. (“**Yitang**”) 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 corporation controlled by Yitang and the owner of the Mining Assets, pursuant to a share purchase agreement (the “**Share Purchase Agreement**”) dated April 18, 2021 among the Company, Yi Dong Group Limited (“**Yi Dong**”), a corporation controlled by Yitang, and Crypto Pal, with an option to increase such interest to 100%, through the acquisition of the remaining outstanding shares of Crypto Pal. In connection with the Share Purchase Agreement, Crypto Pal and Yitang have entered into a guaranteed services agreement (the “**Guaranteed Services Agreement**”, together with the Share Purchase Agreement, the “**Definitive Agreements**”) dated April 18, 2021 whereby Yitang, upon closing of the transactions contemplated by the Share Purchase Agreement, will guarantee the hosting of the Mining Assets, including power supply and management and hosting services. The transactions contemplated by the Share Purchase Agreement and the Guaranteed Services Agreement are referred to herein as the “**Transaction**”.

Subject to the terms and conditions hereof, the Agent agrees to act as, and the Company appoints the Agent as, the exclusive agent of the Company to offer, on a “commercially reasonable efforts” agency basis, 4,000,000 Subscription Receipts at price of \$1.25 per Subscription Receipt (the “**Subscription Price**”) for aggregate gross proceeds of \$5,000,000 (the “**Offering**”).

In addition, the Company has granted the Agent an option (the “**Agent's Option**”) to increase the size of the Offering by up to an additional 4,000,000 Subscription Receipts (the “**Additional Subscription Receipts**”). The Agent’s Option will be exercisable by the Agent, in whole or in part, by giving written notice of the exercise of the Agent’s Option, or a part thereof, to the Company at any time up to 48 hours prior to the Closing Date. Unless the context otherwise requires, all references herein to “Subscription Receipts” will include the Additional Subscription Receipts sold pursuant to the Agent’s Option.

The Company acknowledges that the Agent will be under no obligation to purchase any of the Subscription Receipts. The Agent will be entitled in connection with the Offering to retain as sub-agents other registered securities dealers (the “**Selling Firms**”) and may receive (for delivery to the Company at the Closing Time (as defined herein)) subscriptions for Subscription Receipts from Subscribers (as defined herein) from other Selling Firms. The fees payable to such Selling Firms will be for the account of the Agent.

The Subscription Receipts will be created 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 (the “**Subscription Receipt Agent**”), to be dated as of the Closing Date.

Each Subscription Receipt will entitle the holder to acquire, if the Escrow Release Conditions (as defined herein) are satisfied at or prior to the Escrow Release Deadline (as defined herein), one unit (each, a “**Unit**”) comprised of one common share of the Company (each, a “**Common Share**”) and one-half of one common share purchase warrant

(each whole common share purchase warrant, a “**Warrant**”) at no additional cost and without any further action by the holder on the terms set out herein and in the Subscription Receipt Agreement.

Each Warrant issuable upon the automatic exercise of the Subscription Receipts (the “**Warrants**”) is exercisable into one Common Share (each, a “**Warrant Share**”) for a period of two years from the Escrow Release Date (as defined herein) at an exercise price of \$2.00, subject to adjustment in certain events. The Warrants will be duly and validly created and issued pursuant to, and governed by, a warrant indenture (the “**Warrant Indenture**”) to be entered into on the Closing Date between the Company and Computershare Trust Company of Canada (the “**Warrant Agent**”), or such other trust company as may be acceptable to the Agent. The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants set forth in the Warrant Indenture. In the case of any inconsistency between the description of the Warrants in this Agreement and their terms and conditions as set forth in the Warrant Indenture, the provisions of the Warrant Indenture will govern.

Subject to the terms of the Subscription Receipt Agreement, the aggregate Subscription Price for the Subscription Receipts, less (i) the Agent's Expenses (as defined herein), (ii) 50% of the Cash Commission (as defined herein), and (iii) the Cash Finance Fee (as defined herein) (the “**Escrowed Funds**”), will be delivered to and held in escrow (on behalf of the holders of Subscription Receipts) by the Subscription Receipt Agent and invested in an interest bearing account, short-term obligations of, or guaranteed by, the Government of Canada or otherwise as is provided in the Subscription Receipt Agreement, pending the satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions at or prior to the Escrow Release Deadline, in accordance with the provisions of the Subscription Receipt Agreement.

Upon satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions and receipt of the Escrow Release Notice by the Subscription Receipt Agent from the Company and the Agent, at or before the Termination Time at which time each Subscription Receipt will automatically be exercised on a one for one basis for one Unit (such date hereinafter referred to as the “**Escrow Release Date**”), the Subscription Receipt Agent will release the Escrowed Funds as follows: (i) the remaining 50% of the Cash Commission and the Fiscal Advisory Fee (as defined herein) will be paid to the Agent; and (ii) the balance of the Escrowed Funds will be paid to the Company, in each case plus any accrued interest earned thereon.

In the event that: (i) the Escrow Release Conditions do not occur by 5:00 p.m. (Vancouver time) on May 31, 2021, or such later date mutually agreed to in writing by the Company and the Agent (the “**Termination Time**”); or (ii) if prior to the Termination Time, the Company advises the Agent or announces to the public that it does not intend to, or cannot, satisfy the Escrow Release Conditions, the Subscription Receipts will be null and void and of no further effect, and the Subscription Receipt Agent will return to each holder of Subscription Receipts an amount equal to the aggregate Subscription Price of the Subscription Receipts held by such holder plus a pro rata portion of any interest and other income earned on the Escrowed Funds, less applicable withholding taxes, if any. The Company will be responsible and liable to the holders of Subscription Receipts for any shortfall between the aggregate Subscription Price and the Escrowed Funds.

The net proceeds of the Offering will be used by the Company to pay for the indirect acquisition of the Mining Assets through the acquisition of an interest in Crypto Pal pursuant to the Share Purchase Agreement and as consideration for Crypto Pal's entering into of the Guaranteed Services Agreement with Yitang.

The Company agrees that the Agent is acting as agent of the Company in seeking Subscribers for Subscription Receipts on a “commercially reasonable efforts” basis without underwriter liability, and nothing in this Agreement or any other agreement will require the Agent to purchase any of the Subscription Receipts in connection with the Offering.

In consideration for its services hereunder, including the ancillary service of advising on the terms and conditions of the Offering, the Agent will be entitled to the fee provided for in Section 8. That fee will be payable in accordance with the provisions of Section 8.

The following are additional terms and conditions of the Agreement between the Company and the Agent:

1. Definitions

Where used in this Agreement or in any amendment hereto, the following terms will have the following meanings, respectively:

- (a) “**Agent**” has the meaning given to it on the first page of this Agreement;
- (b) “**Agent's Counsel**” means Bennett Jones LLP;
- (c) “**Agent's Expenses**” has the meaning given to it in Section 9;
- (d) “**Agent's Option**” has the meaning given to it on the first page of this Agreement;
- (e) “**Agent's Warrants**” has the meaning given to it in Section 8(c);
- (f) “**Agent's Warrant Certificate**” as the meaning given to it in Section 8(c);
- (g) “**Agreement**” means this Agency Agreement as the same may be amended, supplemented or otherwise modified or restated from time to time;
- (h) “**Applicable Laws**” means, in relation to any person or persons, Applicable Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;
- (i) “**Applicable Securities Laws**” means, collectively, the securities laws and regulations in each of the Canadian Offering Jurisdictions, together with all written instruments, rules, policies, notices and orders (including blanket orders) of the Securities Commissions;
- (j) “**Business**” means the business of the Company and the Company Subsidiaries as presently conducted, namely, the ownership and development of the HPI Platform and upon completion of the Transaction, also the business of mining cryptocurrency;
- (k) “**Business Assets**” means all tangible and intangible assets owned (either directly or indirectly), leased, licensed or loaned, relating to, being developed or used by the Company and Company Subsidiaries including all Intellectual Property owned or used by the Company and the Company Subsidiaries in connection with the Business;
- (l) “**Business Day**” means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Vancouver, British Columbia;
- (m) “**Cash Commission**” has the meaning given to it in Section 8(a);
- (n) “**Cash Finance Fee**” has the meaning given to it in Section 8(d);
- (o) “**CFPOA**” has the meaning given to it in Section 5(tt);
- (p) “**Claim**” or “**Claims**” have the respective meanings given to them in Section 12;
- (q) “**Closing Date**” means the date on which the Closing takes place, being on or about May 12, 2021, or such other date or dates as the Company and the Agent may agree;

- (r) “**Closing Time**” means 8:00 a.m. (Vancouver time) on the Closing Date, or such other time or times as the Company and the Agent may agree;
- (s) “**Common Shares**” has the meaning given to it on the first page of this Agreement;
- (t) “**Company's Counsel**” means Cassels Brock & Blackwell LLP;
- (u) “**Company IP**” means the Intellectual Property that is necessary and material to the Business and that is owned by and has been developed by or for, or is being developed by or for, the Company and the Company Subsidiaries, other than Licensed IP;
- (v) “**Company Subsidiaries**” means, together, Hello Pal Asia Limited and Hello Pal River Technology Limited;
- (w) “**Crypto Pal**” has the meaning given to it on the first page of this Agreement;
- (x) “**Definitive Agreements**” has the meaning given to it on the first page of this Agreement;
- (y) “**distribution**” means “**distribution**” or “**distribution to the public**”, as the case may be, as defined under Applicable Securities Laws; and “**distribute**” has a corresponding meaning;
- (z) “**Due Diligence Documents**” means the documents and information made available to the Agent by the Company in connection with the Offering;
- (aa) “**Due Diligence Session**” has the meaning given to it in Section 3(j);
- (bb) “**Engagement Letter**” means the letter agreement between the Company and the Agent dated March 7, 2021;
- (cc) “**Escrow Release Conditions**” means:
 - (i) all conditions precedent to the completion of the Transaction pursuant to the Definitive Agreements have been satisfied, including, without limitation: (a) any necessary government and regulatory approvals, (b) approval of the Exchange, and (c) any required shareholder approvals;
 - (ii) the Company is not in breach or default of any of its covenants or obligations under the Subscription Receipt Agreement or this Agreement and all conditions set out in this Agreement have been fulfilled, and the Agent has received written confirmation from the Company to that effect;
 - (iii) the Agent having received an officers’ certificate from the Company’s officers that it has irrevocably instructed its counsel, upon release of the Escrowed Funds to the Company, to issue the Common Shares and Warrants underlying the Subscription Receipts and to complete the Transaction;
 - (iv) the Agent having received a legal opinion, in form and substance satisfactory to the Agent, acting reasonably, such legal opinion to be delivered to the Agent in escrow and automatically released on completion of the Transaction, that (A) the Company has the corporate power and capacity to execute, deliver and perform its obligations under the Share Purchase Agreement and the Shareholders’ Agreement; (B) the execution and delivery of the Share Purchase Agreement and the Shareholders’ Agreement and the performance of the transactions contemplated by the Share Purchase Agreement and the Shareholders’ Agreement do not and will not result in a breach of, and do not create a state of facts which, after notice or lapse of time or both, will result in a breach of and do not

and will not conflict with, any of the terms, conditions or provisions of the constitutional documents of the Company or applicable laws; (C) all necessary corporate action has been taken by the Company to authorize the execution and delivery by it of each of the Share Purchase Agreement and the Shareholders' Agreement and the performance of its obligations under the Share Purchase Agreement and the Shareholders' Agreement; and (D) each of the Share Purchase Agreement and the Shareholders' Agreement constitutes a legal, valid and binding obligation of the Company;

- (v) the Agent having received a legal opinion, in form and substance satisfactory to the Agent, acting reasonably, that (A) Crypto Pal has the corporate power and capacity to execute, deliver and perform its obligations under the Guaranteed Services Agreement; (B) the execution and delivery of the Guaranteed Services Agreement and the performance of the transactions contemplated by the Guaranteed Services Agreement do not and will not result in a breach of, and do not create a state of facts which, after notice or lapse of time or both, will result in a breach of and do not and will not conflict with, any of the terms, conditions or provisions of the constitutional documents of Crypto Pal or applicable laws; (C) all necessary corporate action has been taken by Crypto Pal to authorize the execution and delivery by it of the Guaranteed Services Agreement and the performance of its obligations under Guaranteed Services Agreement; and (D) the Guaranteed Services Agreement constitutes a legal, valid and binding obligation of Crypto Pal;
- (vi) the Agent having received a legal opinion, in form and substance satisfactory to the Agent, acting reasonably, that (A) the Company has the corporate power and capacity to execute, deliver and perform its obligations under the Agent's Warrant Certificate; (B) the execution and delivery of the Agent's Warrant Certificate and the performance of the transactions contemplated by the Agent's Warrant Certificate do not and will not result in a breach of, and do not create a state of facts which, after notice or lapse of time or both, will result in a breach of and do not and will not conflict with, any of the terms, conditions or provisions of the constitutional documents of the Company or the laws of the Province of British Columbia or the laws of Canada applicable therein; (C) all necessary corporate action has been taken by the Company to authorize the execution and delivery by it of the Agent's Warrant Certificate and the performance of its obligations thereunder; (D) all necessary corporate action has been taken by the Company to authorize the creation and issue of the Agent's Warrants and the Common Shares issuable upon exercise of the Agent's Warrants and the Agent's Warrants and the Common Shares issuable upon exercise of the Agent's Warrants have been or will be validly issued; and (E) the Agent's Warrant Certificate constitutes a legal, valid and binding obligation of, and is enforceable against, the Company in accordance with its terms (subject to bankruptcy, insolvency, or other laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity or contribution); and
- (vii) a notice from the Company, and acknowledged by or on behalf of the Agent, is delivered to the Subscription Receipt Agent stating that all conditions precedent to the completion of the Transaction have been satisfied or waived, other than the release of the Escrowed Funds to the Company pursuant to the Subscription Receipt Agreement;
- (dd) “**Escrowed Funds**” has the meaning given to it on the second page of this Agreement;
- (ee) “**Escrow Release Date**” has the meaning given to it on the second page of this Agreement;
- (ff) “**Escrow Release Deadline**” means 5:00 p.m. (Vancouver time) on May 31, 2021 and such later date as the Company and the Agent may agree in writing;

- (gg) “**Escrow Release Notice**” means a written release notice executed by the Company and the Agent addressed to the Subscription Receipt Agent confirming that paragraphs (i), (ii), (iii), (iv), (v) and (vi) of the Escrow Release Conditions have been satisfied or waived;
- (hh) “**Exchange**” means the Canadian Securities Exchange;
- (ii) “**FCPA**” has the meaning given to it in Section 5(tt);
- (jj) “**Finance Fee**” has the meaning given to it in Section 8(d);
- (kk) “**Financial Statements**” means the audited consolidated financial statements of the Company as at and for the years ended February 29, 2020 and February 28, 2019 and the condensed unaudited interim consolidated financial statements for the three and nine months ended November 30, 2020 and 2019;
- (ll) “**Fiscal Advisory Fee**” has the meaning given to it in Section 8(b);
- (mm) “**Governmental Authority**” means and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing or any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the foregoing;
- (nn) “**Guaranteed Services Agreement**” has the meaning given to it on the first page of this Agreement;
- (oo) “**IFRS**” means International Financial Reporting Standards;
- (pp) “**Indemnified Party**” or “**Indemnified Parties**” has the meaning given to it in Section 12;
- (qq) “**Intellectual Property**” means all (i) trade or brand names, business names, trademarks, service marks, copyrights to any original works of authorship, patents, licences, industrial designs, and other industrial or intellectual property of any nature in any form whatsoever recognized in any jurisdiction throughout the world; and (ii) inventions, discoveries, developments, concepts, ideas, improvements, processes and methods, know-how, trade secrets, confidential information, systems, procedures, computer software, designs whether or not patentable or registrable, anywhere in the world, in each case owned by or licensed for use to the Company;
- (rr) “**Letter of Intent**” has the meaning given to it on the first page of this Agreement;
- (ss) “**Licensed IP**” means the Intellectual Property that is necessary and material to the Business or and that is owned by any person other than the Company;
- (tt) “**Lien**” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;
- (uu) “**Losses**” has the meaning given to it in Section 12;

- (vv) **“Material Adverse Change”** and **“Material Adverse Effect”** means any effect, change, event or occurrence (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable) that, alone or in conjunction with any other change, event or occurrence, (i) is or could reasonably be expected to be materially adverse to the business, affairs, results of operations, financial condition, assets, capital, or prospects of the Company and the Company Subsidiaries (on a consolidated basis); or (ii) could reasonably be expected to impair the ability of the Company to consummate the transactions contemplated hereby or to duly observe and perform its obligations contained in this Agreement or the Subscription Agreements;
- (ww) **“Material Agreement”** or **“Material Agreements”** means, collectively, the Definitive Agreements entered into by the Company, and any note, certificate, mortgage or other form of indebtedness, any contract, commitment, agreement (written or oral), instrument, lease or other document, including but not limited to any partnership, joint venture, participation, development, supply, license, marketing, manufacturing, distribution, management, service, consulting, agency, sales, franchise, research and development agreement, agreements relating to Intellectual Property or any other similar type agreement to which the Company or a Company Subsidiary is a party or otherwise bound and which is material to the Company or a Company Subsidiary (on a consolidated basis);
- (xx) **“material change”**, **“material fact”** and **“misrepresentation”** have the respective meanings given to it under Applicable Securities Laws;
- (yy) **“Mining Assets”** has the meaning given to it on the first page of this Agreement;
- (zz) **“Money Laundering Laws”** has the meaning given to it in Section 5(uu);
- (aaa) **“Offering”** has the meaning given to it on the first page of this Agreement;
- (bbb) **“Offering Documents”** means, collectively, this Agreement, the Subscription Agreements, the Subscription Receipt Agreement, the Subscription Receipt Certificates and the Warrant Indenture;
- (ccc) **“Offering Jurisdictions”** means each of the provinces in Canada, and such other jurisdictions as may be agreed upon by the Agent and the Company where the Subscription Receipts are offered to prospective purchasers, as the context permits or requires, collectively;
- (ddd) **“Public Record”** means all information filed by or on behalf of the Company with the Securities Commissions or the Exchange via SEDAR or otherwise, including, without limitation, the Financial Statements, as applicable, and any other information filed with any Securities Commission or the Exchange in compliance, or intended compliance, with any Applicable Securities Laws;
- (eee) **“Registered Plans”** means, collectively, registered education savings plan, registered retirement income fund, registered retirement savings plan and tax-free savings account;
- (fff) **“Responses”** has the meaning given to it in Section 3(j);
- (ggg) **“Securities”** means, collectively, the Subscription Receipts, the Units issuable on the automatic exercise of the Subscription Receipts, the Common Shares and Warrants underlying the Units, the Common Shares issuable upon exercise of the Warrants, the Agent's Warrants, the Common Shares issuable upon exercise of the Agent's Warrants and the Common Shares comprising the Share Finance Fee;
- (hhh) **“Securities Commissions”** means the securities commissions or similar regulatory authorities in each of the Offering Jurisdictions and **“Securities Commission”** means any one of them;
- (iii) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval;

- (jjj) “**Selling Firms**” has the meaning given to it on the first page of this Agreement;
- (kkk) “**Share Finance Fee**” has the meaning given to it in Section 8(d);
- (lll) “**Share Purchase Agreement**” has the meaning given to it on the first page of this Agreement;
- (mmm) “**Shareholders’ Agreement**” means the shareholders’ agreement to be entered into on the closing of the Transaction among the Company, Yi Dong and Crypto Pal;
- (nnn) “**Software**” means any computer software programs, source code, object code, databases, data and documentation, including, without limitation, any computer software programs that incorporate and run pricing models, formula and algorithms;
- (ooo) “**Subscriber**” means the persons who (as purchasers or beneficial purchasers) acquire Subscription Receipts by duly completing, executing and delivering Subscription Agreements which is accepted by the Company, and permitted assignees or transferees of such persons from time to time;
- (ppp) “**Subscription Agreements**” means collectively, the subscription agreements in the form agreed upon by the Agent and the Company, pursuant to which Subscribers agree to subscribe for and purchase Subscription Receipts as herein contemplated and will include, for greater certainty, all schedules and amendments thereto;
- (qqq) “**Subscription Price**” has the meaning given to it on the first page of this Agreement;
- (rrr) “**Subscription Receipt Agent**” has the meaning given to it on the first page of this Agreement;
- (sss) “**Subscription Receipt Agreement**” has the meaning given to it on the first page of this Agreement;
- (ttt) “**Subscription Receipt Certificates**” means the certificates representing the Subscription Receipts;
- (uuu) “**Termination Time**” has the meaning given to it on the second page of this Agreement;
- (vvv) “**Termination Notice**” has the meaning given to it in the Subscription Receipt Agreement;
- (www) “**Transaction**” has the meaning given to it on the first page of this Agreement;
- (xxx) “**Unit**” means the units underlying the Subscription Receipts, each comprised of one Common Share and one-half of one Warrant;
- (yyy) “**Vortex**” means Fortune You Co. Ltd.;
- (zzz) “**Vortex Agreement**” means the cooperation agreement dated January 2019 among the Company, Vortex, Zhou You, Zhou Gang, Huang Jing Su and Zhou Ming pursuant to which, among other things, the Company is obligated to issue Common Shares upon the occurrence of certain milestones in accordance with its terms;
- (aaaa) “**Warrant**” has the meaning given to it on the second page of this Agreement;
- (bbbb) “**Warrant Agent**” has the meaning given to it on the second page of this Agreement;
- (cccc) “**Warrant Indenture**” has the meaning given to it on the second page of this Agreement;
- (dddd) “**Warrant Shares**” has the meaning given to it on the second page of this Agreement;
- (eeee) “**Yi Dong**” has the meaning given to it on the first page of this Agreement; and

(ffff) “Yitang” has the meaning given to it on the first page of this Agreement.

2. The Offering

The Company agrees that the Subscription Receipts will be duly and validly created and issued pursuant to the terms of the Subscription Receipt Agreement. The Company hereby appoints the Agent as exclusive agent, to offer and sell the Subscription Receipts on a “commercially reasonable efforts” agency basis and the Agent hereby accepts such appointment. Notwithstanding anything to the contrary contained herein or any oral representations or assurances previously or subsequently made by the parties hereto, this Agreement does not constitute a commitment by, or legally binding obligation of, the Agent or any of its affiliates to act as underwriters, initial purchasers, arrangers and/or placement agents in connection with any offering of securities of the Company, including the Securities, or to provide or arrange any financing, other than the appointment as agent in connection with the Offering in accordance with the prior sentence and otherwise on the terms set forth herein.

3. Covenants of the Company

The Company agrees:

- (a) that, during the period commencing on the date hereof and ending on the earlier of the Escrow Release Date and the Termination Time, the Company will promptly inform the Agent of the full particulars of:
 - (i) any material change (actual, anticipated or threatened) in its assets, liabilities (absolute, accrued, contingent or otherwise), business, operations, capital or condition (financial or otherwise) and any such material change in respect of the Company Subsidiaries;
 - (ii) any change in any material fact in any information regarding it previously provided to the Agent by it in writing which has not otherwise been disclosed in writing to the Agent;
 - (iii) the occurrence or discovery of a material fact or event which, in any such case, is, or may be, of such a nature as to: (A) render any of the Financial Statements or any other part of the Public Record or the Due Diligence Documents untrue, false or misleading in a material respect; (B) result in a misrepresentation in any of the Financial Statements or any other part of the Public Record or the Due Diligence Documents; or (C) result in any of the Financial Statements or any other part of the Public Record not complying with Applicable Securities Laws, in each instance as it applies to it; or
 - (iv) the discovery of any misrepresentation in the Financial Statements, or any part of the Public Record or the Due Diligence Documents relating to it or any information provided to the Agent by it,

provided, however, that if the Company is uncertain as to whether a material change, change in any material fact, occurrence or event of the nature referred to in this subsection has occurred, the Company will promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and will consult with the Agent as to whether the occurrence is of such nature;

- (b) to not amend, modify, delete or waive any material provision of the Definitive Agreements without the prior written consent of the Agent, acting reasonably;
- (c) prior to execution of the Shareholders’ Agreement, provide a draft of such agreement to the Agent for its review and consideration;
- (d) that, during the period commencing on the date hereof and ending on the earlier of the Escrow Release Date and the Termination Time, the Company will promptly inform the Agent of the full particulars of:

- (i) any request of any Securities Commission or other securities commission or similar regulatory authority received by it for any amendment to any of the Financial Statements or any other part of the Public Record or for any additional information;
 - (ii) the issuance by any Securities Commission or other securities commission or similar regulatory authority, the Exchange or by any other competent authority of any order to cease or suspend trading of any of its securities or of the institution or threat of institution of any proceedings for that purpose; and
 - (iii) the receipt by it of any communication from any Securities Commission or other securities commission or similar regulatory authority, the Exchange or any other competent authority relating to any of the Financial Statements or any other part of the Public Record or the distribution of any of the Securities, provided such communications would reasonably be considered material to the Agent's understanding or evaluation of the merits or the mechanics of the Offering or the Transaction;
- (e) that, during the period commencing on the date hereof and ending on the earlier of the Escrow Release Date and the Termination Time, it will promptly provide to the Agent, for review by the Agent and the Agent's Counsel, prior to filing or issuance of any proposed disclosure document which is or may be deemed to be part of or become part of the Public Record, including without limitation any press release, financial statement, annual information form, material change report, business acquisition report or information circular;
- (f) that it will promptly comply, to the reasonable satisfaction of the Agent and the Agent's Counsel, with Applicable Securities Laws with respect to any material change, change in any material fact, occurrence or event of the nature referred to in Section 3(a) and 3(b) and of which it is aware and it will prepare and file promptly at the Agent's request, acting reasonably, any amendment to any of the Financial Statements or any other part of the Public Record which in the Agent's opinion may be necessary or advisable and the Company will consult with the Agent with respect to the form and content of any amendment to any of the Financial Statements or any other part of the Public Record proposed to be filed by it and will not file any such amendment without the prior review and approval thereof by the Agent, acting reasonably;
- (g) that it will use its commercially reasonable efforts to file or cause to be filed with the Exchange all necessary documents, and will take or cause to be taken all necessary steps to obtain, as soon as reasonably possible, all necessary approvals of the Exchange for the listing of the Common Shares issuable upon the automatic exercise of the Subscription Receipts and the Common Shares issuable upon exercise of the Agent's Warrants, subject only to the filing of required documents and will use its commercially reasonable efforts to comply with all requirements of the Exchange in connection the completion of the Transaction;
- (h) as soon as reasonably possible, and in any event by the Closing Date, the Company will take such reasonable steps as may be necessary to enable the Subscription Receipts to be offered for sale and sold on a private placement basis in the Offering Jurisdictions through the Agent or any Selling Firm in any of the Offering Jurisdictions by way of exemptions from the prospectus and registration requirements of Applicable Securities Laws as contemplated hereby;
- (i) that all written or oral opinions, advice and materials provided by the Agent to the Company in connection with the Offering provided for in this Agreement are intended solely for the benefit and internal use of the Company, and the Company agrees that no such opinion, advice or material will be used for any other purpose or reproduced, disseminated, quoted from or referred to at any time, in any manner or for any purpose, nor will any public reference to the Agent be made by it without the prior written consent of the Agent in each specific instance. The Agent expressly disclaims any liability or responsibility to the Company or any affiliate thereof, their respective management and boards of directors, or any other party, including without limitation, any past, present, or future holder of any securities of the Company by reason of unauthorized use, publication, distribution or

reference to any oral or written opinions or advice or materials provided by the Agent or any unauthorized reference to the Agent or the engagement of the Agent hereunder;

- (j) to allow the Agent, prior to the Closing Time and during the period from the date hereof until the earlier of the Escrow Release Date and the Termination Time, to conduct all due diligence which the Agent may reasonably require in order to: (i) confirm the Public Record is accurate, complete and current in all material respects; and (ii) fulfill the Agent's obligations as registrants. Without limiting the generality of the foregoing, the Company will make available its directors and senior management and will use its commercially reasonable efforts to cause its auditors to answer any questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the “**Due Diligence Sessions**”). The Agent will distribute a list of written questions to be answered in advance of each Due Diligence Session and the Company will, if requested by the Agent, provide written responses (the “**Responses**”) to such questions and will use its commercially reasonable efforts to have its auditors provide written responses to such questions in advance of the Due Diligence Session;
- (k) that it will file all necessary forms and reports in connection with the issuances of the Securities hereunder with the appropriate Securities Commissions and other regulatory authorities;
- (l) that it will use its commercially reasonable efforts to complete the Transaction as soon as reasonably possible after the Closing Date and will promptly advise the Agent, in writing, of any material or unexpected delay in respect thereof;
- (m) that it will, on or prior to the Effective Date, use its commercially reasonable efforts to deliver or cause to be delivered to the Agent and the Agent's Counsel:
 - (i) evidence that all necessary approvals of third parties (in connection with the Transaction) have been received; and
 - (ii) any other documents requested by the Agent, acting reasonably, including evidence of all necessary approvals for the Transaction and other transactions contemplated by the Definitive Agreements; and
- (n) that the Company will use its commercially reasonable best efforts to duly, punctually and faithfully perform all the obligations to be performed by it and all of its covenants and agreements, under and pursuant to the Subscription Agreements. In addition to the provisions of this Section 3, the Company will in good faith discuss with the Agent any circumstance, change, event or fact contemplated in Section 3 which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Agent under Section 3.

4. Covenants of the Agent

The Agent agrees that it will and will require its Selling Firm(s), if any, to agree that such Selling Firm(s) will:

- (a) conduct its activities in connection with the proposed offer and sale of the Subscription Receipts in compliance with all Applicable Securities Laws;
- (b) not solicit subscriptions for Subscription Receipts, trade in or otherwise do any act in furtherance of a trade of Subscription Receipts outside of the Offering Jurisdictions except upon mutual agreement of the Agent and the Company and only if such solicitation, trade or act is in compliance with Applicable Securities Laws in such jurisdiction and does not: (i) obligate the Company to take any action to qualify any of its securities or any trade of any of its securities; (ii) obligate the Company to establish or maintain any office or director or officer in such jurisdiction; (iii) subject the Company to any reporting or other requirement in such jurisdiction to which it is not already subject;

or (iv) require the Company to execute a general consent to services of process or register to do business in such jurisdiction;

- (c) obtain from each Subscriber an executed Subscription Agreement and all applicable forms required under Applicable Securities Laws or requirements of stock exchanges, including the Exchange, and supplied to the Agent by the Company for completion in connection with the distribution of the Subscription Receipts; and
- (d) not advertise the proposed offering or sale of the Subscription Receipts in printed media of general and regular paid circulation, radio or television or telecommunications (including electronic display) nor provide or make available to prospective purchasers of Subscription Receipts any document or material which would constitute an offering memorandum as defined under Applicable Securities Laws.

5. Representations and Warranties of the Company

The Company represents and warrants (and, where applicable, covenants) to the Agent and acknowledges that the Agent is relying upon such representations and warranties (and, where applicable, covenants) in connection with the Offering, as follows:

Corporate Matters

- (a) the Company has been duly organized and is valid and existing under the laws of the Province of British Columbia and has all requisite corporate power and authority to carry on the Business;
- (b) the Company's only subsidiaries are the Company Subsidiaries. Each of the Company Subsidiaries has been duly organized and is valid and existing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on the Business. All of the issued and outstanding shares in the capital of each of the Company Subsidiaries have been duly authorized and validly issued, are fully paid and are directly or indirectly beneficially owned by the Company, free and clear of any Liens and none of the outstanding securities of the Company Subsidiaries were issued in violation of the pre-emptive or similar rights of any security holder of such subsidiary. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Company to sell, transfer or otherwise dispose of any securities of the Company Subsidiaries;
- (c) it has full corporate power and authority to issue the Securities, such securities have been duly and validly authorized, allotted and/or reserved for issuance and the Common Shares underlying the Subscription Receipts, the Common Shares issuable upon exercise of the Warrants, the Common Shares comprising the Share Finance Fee and the Common Shares issuable upon exercise of the Agent's Warrants (provided the Agent's Warrants are issued on the Escrow Release Date) will, on the respective date of issue and assuming compliance with the terms of the Subscription Receipts, the Warrants and the Agent's Warrants as applicable, and provided that, with respect to the Common Shares issuable upon exercise of the Agent's Warrants, the Agent's Warrants are issued on the Escrow Release Date, be validly issued as fully paid and non-assessable Common Shares;
- (d) on or prior to the Closing Date, the Subscription Receipt Agreement, the form of Subscription Receipt Certificate and the form of Warrant Certificate (if any), and, on or prior to the Escrow Release Date, the form of Agent's Warrant Certificate, will have been approved by the board of directors of the Company and adopted by the Company and will comply with all legal requirements and will not conflict with the Company's constating documents;
- (e) none of the Company or the Company Subsidiaries is in violation of any material requirement of its constating documents or in default of the performance or observance of any material obligation, agreement, covenant or condition contained in any contract (including the Offering Documents),

indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound, or any judgment, decree, order, statute, rule or regulation applicable to it, which default or breach might reasonably be expected to have a Material Adverse Effect;

- (f) it has full corporate power and authority to enter into the Offering Documents and the Definitive Agreements entered into by the Company and to perform its obligations set out herein and therein, and the Offering Documents and the Definitive Agreements entered into by the Company have been, or will be, duly authorized, executed and delivered by the Company, and the Offering Documents and the Definitive Agreements entered into by the Company are, or will be, legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, subject to:
 - (i) the enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting creditors' rights;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
 - (iii) the enforceability of any provision exculpating a party from liability or duty otherwise owed by it may be limited under Applicable Law;
 - (iv) the enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under Applicable Law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court;
 - (v) the equitable or statutory powers of the courts in Canada having jurisdiction to stay proceedings before them and the execution of judgments;
 - (vi) rights to indemnity and contribution hereunder may be limited under Applicable Law; and
 - (vii) the enforceability may be limited by Applicable Laws regarding limitation of actions;
- (g) the authorized capital of the Company consists of an unlimited number of Common Shares without par value, of which 157,310,556 Common Shares are duly and validly issued and outstanding as fully paid and non-assessable as at the date hereof;
- (h) other than (i) options to purchase an aggregate of 13,425,850 Common Shares; (ii) warrants to purchase 6,561,506 Common Shares; (iii) 664,286 Common Shares and warrants to purchase 664,286 Common Shares issuable on conversion of outstanding convertible notes of the Company; (iv) 25,000,000 Common Shares issuable pursuant to the Vortex Agreement; and (v) pursuant to the provisions of this Agreement and the Share Purchase Agreement, no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Company or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of the Company;
- (i) the minute books of the Company are true and correct and are complete in all respects as at the date hereof;
- (j) the Company is a “reporting issuer” or has equivalent status in each of the provinces of British Columbia, Alberta and Ontario within the meaning of Applicable Securities Laws in such provinces and, except for the Company not having held an annual shareholder meeting since February 8, 2018, is not in material default of any requirement in relation thereto;

- (k) Computershare Investor Services Inc., at its principal office in the city of Vancouver, is the duly appointed registrar and transfer agent of and with respect to the Common Shares;
- (l) Computershare Trust Company of Canada, at its principal office in the city of Vancouver, has been duly appointed as Subscription Receipt Agent under the Subscription Agreement and as Warrant Agent under the Warrant Indenture;
- (m) there are no material actions, suits, proceedings or inquiries (including, to the Company's knowledge, pending or threatened) against or affecting the Company or the Company Subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which has or may have Material Adverse Effect;

Matters Relating to the Company Business

- (n) the Company and the Company Subsidiaries each has good, valid and marketable title to and has all necessary rights in respect of all of its Business Assets as owned, leased, licensed, loaned or used by it or over which it has rights, free and clear of Liens, and no other rights or Business Assets are necessary for the conduct of the Business of the Company and the Company Subsidiaries and the Company knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Company and the Company Subsidiaries to use, transfer, license, sell, operate or otherwise exploit such Business Assets;
- (o) there exists no actual or, to the knowledge of the Company, threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Company and the Company Subsidiaries, with any partner, supplier or customer, or any group of suppliers or customers whose business with or whose purchases or inventories/components provided to the Business of the Company and the Company Subsidiaries are individually or in the aggregate material to the assets, business, properties, operations or financial condition of the Company and the Company Subsidiaries. All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent the Company and the Company Subsidiaries from conducting such business with any such partner, supplier or customer, or group of suppliers or customers in the same manner in all material respects as currently conducted;
- (p) each Material Agreement is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Company and the Company Subsidiaries, as applicable, have performed all material obligations in a timely manner under each Material Agreement. Neither the Company nor the Company Subsidiaries is in violation, breach or default, nor have the Company or the Company Subsidiaries received any notification from any party claiming that the Company or Company Subsidiaries, as applicable, are in breach, violation or default, under any Material Agreement and no other party, to the knowledge of the Company, is in breach, violation or default of any term under any Material Agreement;

Financial Matters

- (q) the Financial Statements, fairly present, in accordance with IFRS, consistently applied, the financial position and condition of the Company and the Company Subsidiaries at the dates thereof and the results of the operations of the Company for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Company and the Company Subsidiaries as at the dates thereof which are required to be disclosed in accordance with IFRS;
- (r) the Company maintains a system of internal accounting controls it considers sufficient to provide reasonable assurance that transactions are recorded as necessary to facilitate preparation of financial statements in conformity with IFRS and to maintain accountability for assets;

- (s) there are no material off-balance sheet transactions, arrangements, obligations or liabilities of the Company or its subsidiaries whether direct, indirect, absolute, contingent or otherwise which are required to be disclosed and are not disclosed or reflected in the Financial Statements;
- (t) there has been no change in accounting policies or practices of the Company since November 30, 2020, other than in accordance with IFRS;
- (u) there has not been any reportable disagreement (within the meaning of Section 4.11 of National Instrument 51-102 of the Canadian Securities Administrators) with the Company's auditors;
- (v) there has not been any material disagreement with the Company's auditors;
- (w) there has not been any Material Adverse Change of the Company or the Company Subsidiaries from the position set forth in the Financial Statements; and since November 30, 2020 (i) neither the Company or any Company Subsidiary has incurred, assumed or suffered any liability, obligation, indebtedness or commitments (absolute, accrued, contingent or otherwise) which are not disclosed in the Due Diligence Documents, other than liabilities, obligations, or indebtedness or commitments (A) incurred in the normal course of business or (B) which would not have a Material Adverse Effect; (ii) neither the Company or the Company Subsidiaries has entered into any transaction, which is or may be material to the Company or the Company Subsidiaries and which is not in the ordinary course of business; and (iii) there have been no material facts, transactions, events or occurrences which could have a Material Adverse Effect;
- (x) the Company is not a party to or bound by any agreement of guarantee, indemnification or any other like commitment of the obligations, liabilities (contingent or otherwise) or material indebtedness of any other person;
- (y) except as disclosed in the Public Record, the Company does not have any loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Company (other than Company Subsidiaries) that are currently outstanding;
- (z) no officer, director, employee or any other person not dealing at arm's length with the Company or the Company Subsidiaries, to the Company's knowledge, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest, licensing fee or any other encumbrances or claims of any nature whatsoever which are based on the future revenues of the Company or the Company Subsidiaries;
- (aa) no act or proceeding has been taken by or against the Company or the Company Subsidiaries in connection with its liquidation, winding-up or bankruptcy, or to its knowledge are pending;
- (bb) other than as provided for in this Agreement or the Engagement Letter, the Company has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the Offering contemplated herein;

Tax Matters

- (cc) the Company and the Company Subsidiaries have duly and on a timely basis, subject to standard extensions, filed all tax returns required to be filed by it, has paid all taxes due and payable by it and has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by it and which were claimed by any Governmental Authority to be due and owing and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any

tax return or payment of any tax, governmental charge or deficiency by the Company or the Company Subsidiaries and to the best of the knowledge, information and belief of the Company there are no actions, suits, proceedings, investigations or claims threatened or pending against the Company or the Company Subsidiaries in respect of taxes, governmental charges or assessments or any matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority;

Real Property Matters

- (dd) the Company does not own or have any rights, title or interest whatsoever in any real property, other than in respect of a lease of office premises having a term of up to two years;
- (ee) each of the leases pursuant to which the Company or the Company Subsidiaries occupies any premises are in good standing and in full force and effect, and none of Company nor the Company Subsidiaries is in breach of any material covenants, conditions or obligations contained therein;

Intellectual Property Matters

- (ff) the Company and the Company Subsidiaries are the exclusive owners of and possess all right, title and interest in and to all Company IP, such Intellectual Property being all the material Intellectual Property that is used by the Company and the Company Subsidiaries in connection with the Business and the consummation of the transactions contemplated herein will not impair, alter or limit in anyway such ownership or rights. The Company and the Company Subsidiaries have good and marketable title to the Company IP, free and clear of all Liens;
- (gg) the Company and the Company Subsidiaries have taken all commercially reasonable steps to validly maintain, and have not taken any steps that could constitute abandonment of, the Company IP, including paying all necessary fees and filing all appropriate registrations, affidavits and renewals with the appropriate Governmental Authorities;
- (hh) the Company and the Company Subsidiaries have entered into valid and enforceable agreements pursuant to which the Company and the Company Subsidiaries, as applicable, have been granted all licenses and permissions to use, reproduce, sub-license, sell, modify, update, enhance or otherwise exploit any element of the Company IP not owned by the Company or a Company Subsidiaries to the extent required for the operation, conduct and maintenance of the Business;
- (ii) all of the Company IP owned by the Company or the Company Subsidiaries was created by employees in the course of their employment or by contractors who have transferred and assigned all of their rights in to and such Company IP to the Company or the Company Subsidiaries, as applicable, pursuant to written assignment agreements and have waived their moral rights and rights of a similar nature in and to such Intellectual Property;
- (jj) the Company and the Company Subsidiaries have sufficient right, title and interest in and to the Intellectual Property that is necessary for the operation, conduct and maintenance of the Business and the consummation of the transactions contemplated herein will not impair, alter or limit in any way, such ownership or rights;
- (kk) except for such licenses, sub-licenses and other agreements relating to off-the-shelf Software, which are commercially available on a retail basis, the Company and the Company Subsidiaries have performed all their respective obligations imposed upon them pursuant to all licenses, sublicenses, distributor agreements, and other agreements under which the Company or the Company Subsidiaries, as applicable, is either a licensor, licensee or distributor, relating to the Company IP or the Licensed IP, all of which are valid, enforceable and in full force and effect and which contain terms and conditions prohibiting the unauthorized use, reproduction, disclosure, reverse engineering or transfer of such Intellectual Property, and the Company is not in breach of or default hereunder

in any material respect, nor is there any event which notice or lapse of time or both would constitute a material default thereunder;

- (ll) none of the Company IP is subject to any outstanding order, and to the knowledge of the Company, no claims are pending or threatened, which: (A) challenge the validity, enforceability, use, ownership or right in or to any such Intellectual Property, (B) allege that the operation of the Company or the Company Subsidiaries' business as now conducted infringes or otherwise violates any Intellectual Property or other proprietary rights(s) of a third party, and the Company has no knowledge of any facts which would form a valid basis for any such claim; or (C) contest the right of the Company or the Company Subsidiaries to sell, license or use any material products or services of the Company or the Company Subsidiaries;
- (mm) to the knowledge of the Company, no person is infringing upon or otherwise violating the Company IP owned by the Company and/or the Company Subsidiaries where any such infringement or violation would, individually or in the aggregate, have a Material Adverse Effect. Neither the Company nor the Company Subsidiaries has not brought or threatened any action, suit or proceeding for unauthorized use, disclosure, infringement or misappropriation of such Intellectual Property or breach of any license or agreement involving such Intellectual Property against any third party;
- (nn) the Company and the Company Subsidiaries have taken all commercially reasonable actions to maintain and protect each item of the Company IP, including without limitation: (i) taking commercially reasonable actions to protect the confidentiality of any information under their respective custody or control that is confidential or otherwise secret in nature; and (ii) paying all necessary fees and filing all appropriate registrations, affidavits and renewals with the appropriate Governmental Authorities;
- (oo) neither the Company nor the Company Subsidiaries have used open source Software in any manner where such use would require disclosure or distribution in source code form, require the licensing thereof for the purpose of making derivative works, impose any restriction on the consideration to be charged for the distribution thereof, create, or purport to create, obligations for the Company with respect to the Intellectual Property owned by any of them or grant, or purport to grant, to any third party, any rights or immunities under Intellectual Property owned by the Company or the Company Subsidiaries or imposed any other material limitation, restriction or condition on the rights of the Company or the Company Subsidiaries with respect to use or distribution. With respect to any open source Software that is or has been used by the Company or the Company Subsidiaries in any way, such use has been and is in compliance with all applicable licenses with respect thereto;
- (pp) the Company and the Company Subsidiaries have taken all commercially reasonable steps to back up all material Software and databases (including information used therein) used by the Company and the Company Subsidiaries and maintain such backups at a secure off-site location (except where such failure to make such backup would not have a Material Adverse Effect). The Company and the Company Subsidiaries have taken all reasonable steps (i) to maintain the integrity and security of their systems and network infrastructure in connection with the collection, transmission and storage of electronic data, including video and imagery, (ii) to block the distribution of sensitive imagery which may be harmful to or breach the security interests of any country, and (iii) to protect the information technology and communication systems used in connection with their operations and business from contamination, corruption, computer viruses, firewall breaches, sabotage, hacking or other Software routines or hardware components that would permit material unauthorized access or the unauthorized disablement, theft or erasure of its information technology systems, communication systems, imagery, products or Software. The Company and the Company Subsidiaries have disaster recovery and security plans and procedures in place and there have been no material unauthorized intrusions or breaches of the security of the information technology or communication systems used in connection with their operations and business;

Compliance with Laws

- (qq) except for the Company not having held an annual shareholder meeting since February 8, 2018, each of the Company and the Company Subsidiaries has conducted and is conducting its business in compliance in all material respects with all Applicable Laws and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirements of any governmental or regulatory bodies applicable to it of each jurisdiction in which it carries on business and holds all licences, registrations and qualifications in all jurisdictions in which it carries on business which are necessary or desirable to carry on the Business as now conducted (except where the failure to so conduct its business or to hold such licences, registrations or qualifications would not, individually or in the aggregate, have a Material Adverse Effect), all such licences, registrations or qualifications are valid and existing and in good standing (except where the lack of such valid or existing license would not have any Material Adverse Effect), and the Company is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which the Company anticipates the Company and the Company Subsidiaries will be unable to comply with without materially adversely affecting the Company. The facilities and operations of the Company and the Company Subsidiaries are currently being conducted, and to the knowledge of the Company have been conducted, in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and policies;
- (rr) the Company and the Company Subsidiaries have complied with all applicable privacy and consumer protection legislation and have not collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Company and the Company Subsidiaries have taken all reasonable steps to protect the personal information under their respective custody or control by making reasonable security arrangements to prevent unauthorized access, collection, disclosure, copy use, modification or disposal or similar risks;
- (ss) to the knowledge of the Company, none of the directors or officers of the Company (i) is or has been subject to prior regulatory, criminal or bankruptcy proceedings, or (ii) are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (tt) none of the Company, the Company Subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company or the Company Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the *Foreign Corrupt Practices Act of 1977*, as amended, and the rules and regulations thereunder (the "FCPA") or the *Corruption of Foreign Public Officials Act* (Canada), as amended (the "CFPOA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA), or any "foreign public official" (as such term is defined in the CFPOA), or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the CFPOA, and each of the Company and the Company Subsidiaries has conducted their businesses in compliance with the FCPA and the CFPOA;
- (uu) the operations of the Company and the Company Subsidiaries are and have been conducted at all times in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator

involving the Company and the Company Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

Insurance

- (vv) the Company and the Company Subsidiaries have its properties and assets insured against loss or damage by insurable hazards or risks on a replacement cost basis. Such insurance coverage is of a type and in an amount typical to the business in which the Company operates as conducted by a reasonably prudent person based on the advice of reputable insurance brokers consulted by such person. In the last twelve months none of the Company nor the Company Subsidiaries has made any material claim on any policy of insurance or been refused any insurance coverage sought or applied for. The Company does not have any reason to believe that it will not be able to renew the existing insurance coverage of the Company and the Company Subsidiaries as and when such coverage expires or obtain similar coverage from similar insurers as may be necessary to continue with its businesses at a cost that would not have a Material Adverse Effect;

Employment Matters

- (ww) the employment of any key employee or the retainer of any key consultant of the Company or Company Subsidiaries does not, to the knowledge of the Company, violate any non-disclosure or non-competition agreement between any such employee or consultant and a third party;
- (xx) no material work stoppage, strike, lock-out, labour disruption, dispute grievance, arbitration, proceeding or other conflict with the employees of the Company or the Company Subsidiaries currently exists or, to the knowledge of the Company, is imminent or pending and the Company and the Company Subsidiaries is in material compliance with all provisions of all federal, national, regional, provincial and local laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours;
- (yy) to the knowledge of the Company, no action has been taken or is being contemplated to organize or unionize any employees of the Company or the Company Subsidiaries;

Matters Relating to the Transaction

- (zz) to the best of its knowledge, no event has occurred or condition exists which will prevent the implementation of the Transaction from occurring prior to 5:00 p.m. (Vancouver time) on or prior to the Escrow Release Deadline;
- (aaa) the Company believes it has conducted commercially reasonable due diligence activities in respect of Yitang, Crypto Pal and Yi Dong and in connection with the implementation of the transactions contemplated in the Definitive Agreements;
- (bbb) the representations and warranties of the Company in the Share Purchase Agreement were true and correct in all material respects as at the date such agreement was entered into and the Company will comply with all of the covenants and agreements made by it in such agreement;
- (ccc) to the Company's knowledge, other than for transfers of securities that do not result in a change of beneficial ownership, no insider of the Company has a present intention to sell any securities of the Company held by it;
- (ddd) the Mining Assets will, upon the acquisition thereof, be free and clear of adverse claims, except for those arising in the ordinary course of business, including encumbrances;

- (eee) although they do not warrant beneficial or record title to the Mining Assets, to the best of the knowledge, information and belief of the Company, there are no defects, failures or impairments in the beneficial or record title of Yi Dong to the Mining Assets;
- (fff) the Company will have, and to the best of the Company's knowledge, Yitang and Crypto Pal have, in place adequate custodial arrangements and related security measures in respect of the digital currencies generated by the digital currency mining activity;
- (ggg) the Company and the Company Subsidiaries, as applicable, upon the completion of the Transaction will have, and to the best of the Company's knowledge, Yitang and Crypto Pal have, been granted any and all material rights and licences in jurisdictions in which it operates applicable by any statute, rule, order, or restriction of any domestic or foreign government or any instrumentality or agency thereof of such jurisdictions for the Company, the Company Subsidiaries, Yitang or Crypto Pal, as applicable, to engage in the business of digital currency, including but not limited to digital currency ownership, asset management, trading, transfers, payments and mining;

Matters Relating to the Offering

- (hhh) there is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency, governmental instrumentality or body, domestic or foreign, now pending or, to the knowledge of the Company, threatened against or affecting the Company, the Company Subsidiaries, the Business Assets or any subsidiary, or which if determined adversely, would have Material Adverse Effect, or would materially and adversely affect the consummation of the transactions contemplated in the Offering Documents or the performance by the Company of its obligations hereunder;
- (iii) the Company has complied in all material respects with all relevant statutory and regulatory requirements required to be complied with prior to the Closing Time in connection with the Offering;
- (jjj) the Responses prepared and delivered by the Company and its directors and officers to the Agent at the Due Diligence Session held or to be held are or will be true and correct where they relate to matters of fact and the Company and its directors and officers have responded or will respond in as thorough and complete a fashion as is practical. Where the Responses reflect the opinion or view of the Company and its directors or officers, such opinions or views are honestly held at the time they are given. Where any response incorporates estimates, projections or forward looking information, such information is inherently subject to risk and inconsistencies which cannot be warranted;
- (kkk) other than the Company, there is no person that is or will be entitled to demand the proceeds of the Offering;
- (lll) the Company has not withheld and will not withhold from the Agent any material facts relating to the Company or the Offering; and
- (mmm) the representations and warranties of the Company in the Subscription Agreements are true and correct.

It is further agreed by the Company that all representations and warranties contained in this Section 5 made by the Company to the Agent will also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto for such purpose.

6. Conditions to Closing

The obligations of the Agent hereunder and of the Subscribers to purchase the Subscription Receipts at the Closing Time will be conditional upon the Agent receiving on the Closing Date:

- (a) a favourable legal opinion dated the Closing Date from the Company's Counsel, addressed to the Agent, in form and substance satisfactory to the Agent, acting reasonably, together with corresponding opinions (where relevant) of local counsel to the Company in relation to the laws of the Offering Jurisdictions in Canada in which the Subscription Receipts are sold;
- (b) a favourable legal opinion dated the Closing Date from the Company's Counsel, addressed to the Agent, in form and substance satisfactory to the Agent, acting reasonably, (i) that the Company is a company validly existing under the laws of the Province of British Columbia; (ii) that the Company has the corporate power and capacity to execute, deliver and perform its obligations under the Offering Documents; (iii) with respect to the authorized capital of the Company; (iv) that the execution and delivery of the Offering Documents and the performance of the transactions contemplated by the Offering Documents do not and will not result in a breach of, and do not create a state of facts which, after notice or lapse of time or both, will result in a breach of and do not and will not conflict with, any of the terms, conditions or provisions of the constitutional documents of the Company or the laws of the Province of British Columbia or the laws of Canada applicable therein; (v) that all necessary corporate action has been taken by the Company to authorize the execution and delivery by it of each of the Offering Documents and the performance of its obligations under the Offering Documents; (vi) that all necessary corporate action has been taken by the Company to authorize the creation and issue of the Securities (other than the Agent's Warrants and the Common Shares issuable upon exercise of the Agent's Warrants) and the Securities (other than the Agent's Warrants and the Common Shares issuable upon exercise of the Agent's Warrants) have been or will be validly issued; and (vii) that each of the Offering Documents constitutes a legal, valid and binding obligation of, and is enforceable against, the Company in accordance with its terms (subject to bankruptcy, insolvency, or other laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity or contribution).
- (c) a certificate of the Company dated the Closing Date, addressed to the Agent and signed on the Company's behalf by its Chief Executive Officer or such other officer or director of the Company satisfactory to the Agent, acting reasonably, with respect to the constating documents of the Company, all resolutions of the board of directors of the Company relating to this Agreement, the Subscription Receipt Agreement and the incumbency and specimen signatures of signing officers of the Company and such other matters as the Agent may reasonably request;
- (d) a certificate of the Company dated the Closing Date, addressed to the Agent and signed on the Company's behalf by its Chief Executive Officer and Chief Financial Officer or such other officers or directors of the Company (in such capacity and not in such officer's or director's personal capacity) satisfactory to the Agent, acting reasonably, certifying that:
 - (i) the Company has complied with and satisfied all material terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time;
 - (ii) the representations and warranties of the Company set forth in this Agreement are true and correct in all material respects at the Closing Time, as if made at such time;
 - (iii) to the knowledge of the Company, no event of a nature referred to in Section 11(a), 11(b), 11(d), 11(g) of this Agreement has occurred as it relates to the Company since the date of this Agreement or to the knowledge of such officers is pending, contemplated or threatened; and
 - (iv) the Company has made and/or obtained, on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Company is a party or by which it is bound, required for the execution and delivery of this Agreement, the offering and sale of the Subscription Receipts in the Offering Jurisdictions and the consummation of the other transactions contemplated hereby, including the issuance of the securities underlying the

Subscription Receipts (subject to completion of filings with certain regulatory authorities following the Closing Time); and

the Agent will have no knowledge to the contrary;

- (e) executed copies of all Subscription Agreements accepted by the Company, each in form and substance satisfactory to the Agent and the Agent's Counsel, acting reasonably;
- (f) executed copies of the Subscription Receipt Agreement, in form and substance satisfactory to the Agent and the Agent's Counsel, acting reasonably; and
- (g) evidence of electronic registration or delivery of certificates or direct registration statements representing, in the aggregate, all of the Subscription Receipts issued on the Closing Date registered in such name or names as the Agent will notify the Company in writing not less than 48 hours prior to the Closing Time.

The foregoing conditions are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and without limitation, and if not satisfied or waived, the Agent will have the right, on behalf of potential subscribers, to withdraw all Subscription Agreements delivered and not previously withdrawn or rescinded by such persons. If any of the foregoing conditions are not met, the Agent may terminate its obligations under this Agreement without prejudice to any other remedies it may have.

7. Closing

Closing of the Offering will be completed at the Closing Time at the offices of the Company's Counsel in Vancouver, British Columbia or at such other place as the Company and the Agent may agree, including electronically, and, subject to the conditions set forth in Section 6, the Agent, on the Closing Date, will deliver:

- (a) to the Company, all completed Subscription Agreements, including all appendices, schedules and exhibits thereto;
- (b) to the Company, any other forms required under Applicable Securities Laws or the Exchange; and
- (c) to the Subscription Receipt Agent, a wire or wires aggregating an amount equal to the gross proceeds of the sale of the Subscription Receipts less all of the estimated Agent's Expenses, the Cash Finance Fee and 50% of the Cash Commission,

against delivery by the Company of:

- (d) evidence of electronic registration of or definitive certificates or direct registration statements representing, in the aggregate, all of the Subscription Receipts in respect of which subscriptions will have been delivered to and accepted by the Company, registered as directed in the Subscription Agreements;
- (e) evidence of electronic registration of or definitive certificates representing the Share Finance Fee, registered in such name or names as the Agent will notify the Company in writing not less than twenty-four hours prior to the Closing Time; and
- (f) such further documentation as may be contemplated by this Agreement or that may reasonably be requested by the Agent's Counsel.

The Company covenants and agrees to issue up to 8,000,000 Subscription Receipts (assuming full exercise of the Agent's Option) or such greater amount as agreed to by the Agent and the Company and the Company may not reject any properly completed Subscription Agreement unless the issuance of the Subscription Receipts pursuant to any

Subscription Agreement cannot be completed in accordance with Applicable Securities Laws and without the request for a prospectus in Canada or unless otherwise agreed to by the Agent.

8. Agent's Compensation

In consideration for the services of the Agent hereunder, subject to any limits imposed by Applicable Securities Laws, the Company agrees to pay/issue to the Agent:

- (a) a fee equal to 7% of the gross proceeds received by the Company from the sale of Subscription Receipts settled through the Agent (including all proceeds raised pursuant to the exercise of the Agent's Option) under the Offering payable in cash (the "**Cash Commission**"), 50% of which will be paid to the Agent at the Closing Time and the balance of the Cash Commission will be deposited with the Subscription Receipt Agent on the Closing Date and released to the Agent, together with any interest earned thereon, upon satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions at or before the Escrow Release Deadline;
- (b) a fee equal to 7% of the gross proceeds received by the Company from the sale of Subscription Receipts settled directly by the Company (including all proceeds raised pursuant to the exercise of the Agent's Option) under the Offering payable in cash (the "**Fiscal Advisory Fee**"), which will be deposited with the Subscription Receipt Agent on the Closing Date and released to the Agent, together with any interest earned thereon, upon satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions at or before the Escrow Release Deadline;
- (c) such number of warrants (each, an "**Agent's Warrant**" and collectively, the "**Agent's Warrants**") as is equal to 7% of the aggregate number of Subscription Receipts issued under the Offering (including all Subscription Receipts sold pursuant to the exercise of the Agent's Option) with each Agent's Warrant exercisable into one Common Share at an exercise price of \$1.25 (subject to adjustment in certain circumstances) for a period of 24 months from the Escrow Release Date and which such Agent's Warrants shall be issued to the Agent on the Escrow Release Date. The Agent's Warrants to be issued to the Agent on the Escrow Release Date shall be represented by one or more certificate(s) (the "**Agent's Warrant Certificate**") in a form agreed to by the Company and the Agent, acting reasonably, and registered in such name or names as the Agent will notify to Company in writing not less than 48 hours prior to the Escrow Release Date; and
- (d) a corporate finance fee (the "**Finance Fee**") of \$200,000 payable on Closing as to \$100,000 in cash (the "**Cash Finance Fee**") and as to \$100,000 by the issuance of 80,000 Common Shares at a price of \$1.25 per share (the "**Share Finance Fee**").

All amounts payable to the Agent hereunder are exclusive of any applicable goods and services tax, provincial sales tax, or other applicable value-added tax.

9. Fees and Expenses

Whether or not the transactions contemplated herein will be completed, the Company will pay all of its expenses and fees in connection with the Offering, including, without limitation: (i) all expenses of, or incidental to, the creation, issue, sale or distribution of the Subscription Receipts and the Securities; (ii) the fees and expenses of its legal counsel; and (iii) all costs incurred in connection with the preparation of documentation relating to the Offering. In addition, the Company will reimburse the Agent for its reasonable expenses in connection with the Offering, including, but not limited to, due diligence and marketing expenses and the reasonable fees of the Agent's Counsel in an amount not to exceed \$75,000, excluding disbursements and applicable taxes (the "**Agent's Expenses**").

10. Accuracy of Representations and Warranties

All representations, warranties, covenants, terms and conditions of this Agreement will be construed as conditions, and any material breach or failure to comply with any such representation, warranty, covenant, term or condition will

entitle the Agent to terminate its obligation to distribute the Subscription Receipts by written notice to that effect given to the Company prior to the Closing Date. The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of its rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension will be binding on the Agent only if the same is in writing.

11. Termination by Agent

The Agent may terminate its obligations hereunder, without any liability on the Agent's part, by written notice to the Company, in the event that after the date hereof and at or prior to the Closing Time:

- (a) there will have occurred any material change or change in a material fact or the Agent will discover any previously undisclosed material fact which in the reasonable opinion of the Agent would be expected to have a Material Adverse Effect on the market price or value of the Securities or a Material Adverse Change or Material Adverse Effect on the business or affairs of the Company;
- (b) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened in relation to the Company or any one of its officers or directors or principal shareholders where wrong-doing is alleged or any order is issued under or pursuant to any statute of Canada or any province thereof or any statute of the United States or any state thereof or any other governmental department, commission, board, bureau, agency or instrumentality including without limitation any securities regulatory authority in relation to the Company or any of its securities, which involves a finding of wrongdoing;
- (c) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence or catastrophe, war or act of terrorism of national or international consequence or any new or change in any law or regulation which, in the reasonable opinion of the Agent, materially adversely affects or involves, or will materially adversely affect or involve, the financial markets or the business, operations or affairs of the Company and the Company Subsidiaries, taken as a whole, or the market price or value of the Securities;
- (d) any order, action, proceeding or cease trading order which operates to prevent or restrict the trading of the Common Shares or any other securities of the Company is made or threatened by a securities regulatory authority and has not been rescinded, revoked or withdrawn;
- (e) the state of the Canadian, U.S. or international financial markets where it is planned to market the Securities is such that, in the reasonable opinion of the Agent, the Securities cannot be profitably marketed;
- (f) the Agent is not satisfied, in its sole discretion, acting reasonably, with the completion of its due diligence investigations; or
- (g) the Company is in breach of a material term, condition or covenant of this Agreement or any term sheet in respect of the Offering or any representation or warranty given by the Company in this Agreement becomes or is false in any material respect.

Any termination pursuant to the terms of this Agreement will be effected by notice in writing delivered to the Company, provided that no termination will discharge or otherwise affect any obligation of the Company under Section 8(a), Section 12, and Section 16. The rights of the Agent to terminate its obligations hereunder are in addition to, and without prejudice to, any other remedies it may have.

The Agent may exercise any or all of the rights provided for in Section 6, Section 10 or Section 11 notwithstanding any material change, change in any material fact, event or state of facts and notwithstanding any act or thing taken or

done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change in any material fact, event or state of facts including, without limitation, any act of the Agent related to the Offering or continued offering of the Subscription Receipts for sale. The Agent will only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 6, Section 10 or Section 11 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

All representations, warranties, terms and conditions herein or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein will survive the payment by the Agent for the Subscription Receipts and will continue in full force and effect for the benefit of the Agent and the Subscribers for a period of two years from the Closing Date regardless of any investigation by or on behalf of the Agent with respect thereto.

12. Indemnification by the Company

- (a) The Company agrees to indemnify and hold harmless the Agent and the other members of any syndicate formed in connection with the Offering, and each of their respective subsidiaries and affiliates and each of their respective directors, officers, employees, partners, agents, shareholders, each other person, if any, controlling the Agent or such other syndicate members, or any of their respective subsidiaries and affiliates, (collectively, the “**Indemnified Parties**” and, individually, an “**Indemnified Party**”), from and against any and all losses, expenses, claims (including shareholder actions, derivative or otherwise), actions, damages and liabilities, joint or several, including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel (collectively, the “**Losses**”) that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the “**Claims**”) insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, this Agreement and the Offering, whether performed before or after the Indemnitor's execution of this Agreement and including, without limitation, any Claim in respect of any right of first refusal granted by the Indemnitor prior to the execution of this Agreement. The Indemnitor agrees to waive any right the Indemnitor may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity. The Indemnitor also agrees that no Indemnified Party will have any liability (whether direct or indirect, in contract or tort or otherwise) to the Indemnitor or any person asserting Claims on behalf of or in right of the Indemnitor for or in connection with the Engagement Letter (whether performed before or after the Indemnitor's execution of the Agreement). The Indemnitor will not, without the prior written consent of the Agent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought under this indemnity (whether or not any Indemnified Party is a party to such Claim) unless the Indemnitor has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.
- (b) Promptly after receiving notice of a Claim against the Agent or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agent or any such other Indemnified Party will notify the Indemnitor in writing of the particulars thereof; provided, however, that the omission so to notify the Indemnitor will not relieve the Indemnitor of any liability which the Indemnitor may have to any Indemnified Party unless (and only to the extent that) such failure results in forfeiture by the Indemnitor of substantive rights or defences. The Indemnitor will have 14 days after receipt of the notice to undertake, conduct and control, through counsel of their own choosing and at their own expense, the settlement or defense of the Claim. If the Indemnitor undertakes, conducts or controls the settlement or defense of the Claim, the relevant Indemnified Parties will have the right to participate in the settlement or defense of the Claim.

- (c) The Indemnitor also agrees to reimburse the Indemnified Parties for the time spent by their personnel in connection with any Claim at their normal per diem rates. The Indemnified Parties may retain counsel to separately represent the Indemnified Parties in the defense of a Claim, which will be at the Indemnitor's expense if: (i) the Indemnitor does not promptly assume the defense of the Claim no later than 14 days after receiving actual notice of the Claim (as set forth in (b) above); (ii) the Indemnitor agrees to separate representation; or (iii) the Indemnified Parties are advised by counsel that there is an actual or potential conflict in the Indemnitor's and the Indemnified Parties' respective interests or additional defenses are available to the Indemnified Parties, which makes representation by the same counsel inappropriate, provided that in no event will the Indemnitor be responsible for the fees of more than one separate counsel for all Indemnified Parties in any single jurisdiction.
- (d) The foregoing indemnity will not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable has determined that such Losses to which the Indemnified Party may be subject were caused solely by the gross negligence, fraudulent act or willful misconduct of the Indemnified Party and in such instance, such Indemnified Party will reimburse any funds advanced by the Indemnitor to the Indemnified Party pursuant to this indemnity in respect of such Claim.
- (e) If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Agent or any other Indemnified Party or insufficient to hold the Agent or any other Indemnified Party harmless in respect of a Claim, the Indemnitor will contribute to the amount paid or payable by the Agent or the other Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agent or any other Indemnified Party on the other hand but also the relative fault of the Indemnitor, the Agent or any other Indemnified Party as well as any relevant equitable considerations; provided, however, that the Indemnitor will in any event contribute to the amount paid or payable by the Agent or any other Indemnified Party as a result of such Claim any excess of such amount over the amount of the fees received by the Agent under the Agreement.
- (f) The Indemnitor hereby constitutes the Agent as trustee for each of the other Indemnified Parties of the Indemnitor's covenants under this indemnity with respect to those persons and the Agent agrees to accept that trust and to hold and enforce those covenants on behalf of those persons.
- (g) The obligations of the Company under this Section 12 are in addition to any liabilities, which the Companies may otherwise have to the Agent, or any other Indemnified Party.

13. Notices

Any notice or other communication required or permitted to be given hereunder will be in writing and will be addressed and delivered:

in the case of the Company, to:

Hello Pal International Inc.
200 – 500 Denman Street
Vancouver, British Columbia V6G 3H1

Attention: KL Wong
E-mail: XXXXXXXXXX

with a copy to:

Cassels Brock & Blackwell LLP
2200 – 885 West Georgia Street
Vancouver, British Columbia V6C 3E8

Attention: Jennifer Traub
Email: [REDACTED]

in the case of the Agent, to:

Canaccord Genuity Corp.
P.O. Box 10337
609 Granville Street, Suite 2200
Vancouver, British Columbia V7Y 1H2

Attention: Shoaib Ansari
Email: [REDACTED]

with a copy to:

Bennett Jones LLP
Suite 2500, Park Place
666 Burrard Street
Vancouver, British Columbia V6C 2X8

Attention: Christian Gauthier
Email: [REDACTED]

or to such other address as the party may designate by notice given to the others. Each communication will be personally delivered to the addressee or sent by electronic transmission to the addressee, and:

- (a) a communication which is personally delivered will, if delivered before 5:00 p.m. (local time) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and
- (b) a communication which is sent by e-mail transmission will, if sent on a Business Day before 5:00 p.m. (local time), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

14. Agent's Statutory Obligations

The Company: (i) acknowledges and agrees that the Agent has certain statutory obligations as a registrant under Applicable Securities Laws and has fiduciary relationships with its clients; and (ii) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent's statutory obligations as a registrant under Applicable Securities Laws or fiduciary relationships with its clients conflicts with its obligations hereunder, the Agent will be entitled to fulfill its statutory obligations as a registrant under Applicable Securities Laws and its duties to its clients. Nothing in this Agreement will be interpreted to prevent the Agent from fulfilling its statutory obligations as a registrant under Applicable Securities Laws or to act as a fiduciaries of its clients.

It is the intention of the Company to constitute the Agent as trustee for each of the Subscribers in respect of the benefit of its applicable representations, warranties and covenants set forth in this Agreement.

15. Disputes

If any dispute or difference arises among any of the parties with respect to the subject matter of this Agreement, any party involved in the dispute or difference may deliver written notice to the other parties involved in the dispute setting out the nature of the dispute or difference and proposing a date for a meeting between a member of senior management of the parties who will endeavor to arrive at an amicable solution to such dispute. Such notice will include reasonable details of the dispute or difference. In the event such dispute is not settled pursuant to this Section 15 within a period

of 30 days following the initiation of proceedings thereunder, then any party to the dispute or difference in question may refer to the matter to the courts for adjudication pursuant to Section 16(b).

16. Miscellaneous

- (a) If one or more of the provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- (b) This Agreement is governed by and are to be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and treated in all respects as a British Columbia contract. The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of British Columbia to any action or proceeding arising in connection with or as a result of any matter referred to in this Agreement is hereby waived by the parties hereto.
- (c) Except as otherwise stated herein, it is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Agent and the Company with respect to the issuance of securities by the Company.
- (d) Time will be of the essence of this Agreement.
- (e) In this Agreement, words importing the singular include the plural and words importing gender include all genders.
- (f) Where the phrase “to the knowledge of” is used in respect of the Company, such phrase will mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the actual knowledge of management of the Company, as applicable, after appropriate inquiries and investigations.
- (g) This Agreement may be executed in one or more counterparts each of which so executed will constitute an original and all of which together will constitute one and the same agreement.
- (h) Delivery of an executed counterpart of this Agreement by electronic means, including by facsimile transmission or by electronic delivery in portable document format (“.pdf”), will be equally effective as delivery of a manually executed counterpart hereof.

[The remainder of this page left intentionally blank; signature page follows.]

If this letter accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this letter where indicated and returning them to us.

Yours very truly,

CANACCORD GENUITY CORP.

By: /s/ "Jamie Brown"
Name: Jamie Brown
Title: Managing Director, Head of Investment
Banking – Western Canada

Accepted and agreed to by the undersigned as of the date of this agreement first written above.

HELLO PAL INTERNATIONAL INC.

By: /s/ "KL Wong"
Name: KL Wong
Title: Chief Executive Officer

SCHEDULE “A”

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

This is Schedule “A” to the agency agreement dated as of May 12, 2021 between Hello Pal International Inc. and Canaccord Genuity Corp.

As used in this Schedule “A”, the following terms will have the following meanings:

“**Dealer Covered Person**” has the meaning set forth in Section B(12) below;

“**Directed Selling Efforts**” means “directed selling efforts” as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Securities, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Units;

“**Disqualification Event**” has the meaning set forth in Section A(10) below;

“**General Solicitation or General Advertising**” means “general solicitation or general advertising”, as used in Rule 502(c) of Regulation D, including any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

“**Issuer Covered Person**” has the meaning set forth in Section A(10) below;

“**Offshore Transaction**” means “offshore transaction” as that term is defined in Regulation S;

“**U.S. Affiliate**” means the duly registered United States broker-dealer affiliate of the Agent;

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder; and

All other capitalized terms used but not otherwise defined in this Schedule “A” will have the meanings assigned to them in the agency agreement to which this Schedule “A” is attached.

A. Representations, Warranties and Covenants of the Company

The Company represents and warrants to and covenants with the Agent that facilitates sales to a U.S. Purchaser and the U.S. Affiliate, as of the Closing Date that:

- (a) Except with respect to offers and sales in accordance with this Schedule “A” to (i) U.S. Purchasers in reliance upon the exemption from registration requirements available pursuant to Rule 506(b) of Regulation D, and (ii) persons outside the United States in an Offshore Transaction in reliance upon the exclusion from the registration requirements available pursuant to Rule 903 of Regulation S, neither the Company nor any of its affiliates, nor any person acting on its or their behalf (other than the Agent, the U.S. Affiliate, their respective affiliates or any person acting on their behalf, in respect of which no representation is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Units in the United States or to, or for the account or benefit of, U.S. Persons; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States and not a U.S. Person or (ii) the Company, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person.
- (b) None of the Company or any persons acting on its or their behalf (other than the Agent, the U.S. Affiliate, their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has made or will make any Directed Selling Efforts or has engaged or will engage in any form of General Solicitation or General Advertising or has acted in any manner involving

a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in the United States with respect to the Units.

- (c) The Company is not, and as a result of the sales of the Units or upon the issuance of any securities underlying the Units contemplated hereby will not be, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered, or closed-end investment company required to be registered, under the United States Investment Company Act of 1940, as amended.
- (d) The Company has not sold, offered for sale or solicited any offer to buy and will not sell, offer for sale or solicit any offer to buy, during the period beginning six months prior to the start of the Offering of the Units and ending six months after the completion of the Offering of the Units, any of its securities in the United States in a manner that would be integrated with and would cause the exemption from registration provided by Rule 506(b) of Regulation D or the exclusion from registration provided by Rule 903 of Regulation S, to be unavailable with respect to offers and sales of the Units pursuant to this Schedule “A”.
- (e) The Company will not take any action that would cause the exemptions or exclusions provided by Rule 506(b) of Regulation D or Rule 903 of Regulation S or to be unavailable with respect to offers and sales of the Units to U.S. Purchasers pursuant to the Agency Agreement including this Schedule “A”.
- (f) Neither the Company nor any of its predecessors or affiliates has been subject to any order, judgment, or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.
- (g) None of the Company, its affiliates or any person on behalf of any of them (other than the Agent, the U.S. Affiliate, their respective affiliates or any person acting on their behalf, in respect of which no representation is made) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.
- (h) The Company will duly prepare and file with the SEC a Form D within 15 days after the first sale of Units offered and sold in reliance on Rule 506(b) of Regulation D, and will file such notices and other documents as are required to be filed under the U.S. state securities laws of the states in which Units are sold to satisfy the requirements of applicable exemptions from registration or qualification of the under such laws.
- (i) None of the Company or any of its predecessors has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.
- (j) With respect to the Units to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D, none of the Company, any of its predecessors, any director, executive officer, other officer of the Company participating in the Offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale (each, an “**Issuer Covered Person**” and, together, “**Issuer Covered Persons**”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a “**Disqualification Event**”), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine (i) the identity of each person that is an Issuer Covered Person; and (ii) whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Agent a copy of any disclosures provided thereunder.
- (k) As of the Closing Date, the Company represents that it is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Units.

B. Representations, Warranties and Covenants of the Agent and the U.S. Affiliate

The Agent in facilitating sales to a U.S. Purchaser, and the U.S. Affiliate, represents and warrants to and covenants and agrees with the Company that:

- (a) It acknowledges that the Units have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold except pursuant to an exclusion or exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. It has offered and sold and will offer and sell the Units only (i) outside the United States in an Offshore Transaction in accordance with Rule 903 of Regulation S, or (ii) in the United States as provided in this Schedule "A". Accordingly, neither the Agent, nor the U.S. Affiliate, nor any persons acting on its or their behalf: (i) have engaged or will engage in any Directed Selling Efforts; or (ii) except as permitted by this Schedule "A", have made or will make (x) any offers to sell Units to U.S. Purchasers or (y) any sale of Units unless at the time the purchaser made its buy order therefor, the Agent, the U.S. Affiliate or other person acting on any of their behalf reasonably believed that such U.S. Purchaser was outside the United States and not a U.S. Person or acting for the account or benefit of a U.S. Person.
- (b) It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with the U.S. Affiliate or with the prior written consent of the Company.
- (c) It will require the U.S. Affiliate to agree, for the benefit of the Company, to comply with, and will use its best efforts to ensure that the U.S. Affiliate complies with, the provisions of this Schedule "A" as if such provisions applied to such U.S. Affiliate.
- (d) All offers and sales of the Units to U.S. Purchasers will be effected by the U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements. Such U.S. Affiliate is, and will be on the date of each offer or sale of Units in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc.
- (e) Any offer, sale or solicitation of an offer to buy Units that has been made or will be made to U.S. Purchasers, was or will be made only to U.S. Accredited Investors in transactions that are exempt from the registration requirements available pursuant to Rule 506(b) of Regulation D and exempt from registration under all applicable state securities laws, and (ii) persons outside the United States in Offshore Transactions that are exempt from registration pursuant to Rule 903 of Regulation S.
- (f) Offers and sales of Units to U.S. Purchasers have not been and will not be made by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
- (g) At least one Business Day prior to the Closing Date, it will provide the Company's transfer agent with a list of all U.S. Purchasers of the Units, together with their addresses (including state of residence), the number of Units purchased and the registration and delivery instructions for the Units.
- (h) Prior to any sale of Units to U.S. Purchasers, it will cause each U.S. Purchaser that is a U.S. Accredited Investor to execute and deliver to the Company, the Agent and the U.S. Affiliate, the Subscription Agreement, including Exhibit A thereto;
- (i) All U.S. Purchasers of the Units will be informed that the Units have not been and will not be registered under the U.S. Securities Act and applicable state securities laws and are being offered and sold to such U.S. Purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D.
- (j) The Agent understands that all Units sold and the securities issuable thereto to U.S. Purchasers in the Offering that are Accredited Investors will be issued in definitive physical form and will bear a restrictive legend substantially in the form set forth Exhibit A to the Subscription Agreement.

- (k) Neither it nor any person acting on its behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.
- (l) With respect to the Units, it represents that neither it, nor any of its directors, executive officers, other officers participating in the offering of the Units, general partners or managing members, or any of the directors, executive officers or other officers participating in the offering of the Units of any such general partner or managing member (each, a “**Dealer Covered Person**” and, together, “**Dealer Covered Persons**”), is subject to any Disqualification Event except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of the U.S. Securities Act and (ii) a description of which has been furnished in writing to the Company prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the date of any offering of the Units.
- (m) At Closing, the Agent, together with the U.S. Affiliate, will provide a certificate, substantially in the form of Exhibit A to this Schedule A, relating to the manner of the offer and sale of the Units to U.S. Purchasers, or will be deemed to have represented that they did not offer or sell Units to U.S. Purchasers.

EXHIBIT A

AGENT'S CERTIFICATE

In connection with the private placement in the United States of Subscription Receipts (the "**Subscription Receipts**") of Hello Pal International Inc. (the "**Company**") pursuant to the Agency Agreement dated May 12, 2021 between the Company and the Agent named therein (the "**Agency Agreement**"), each of the undersigned does hereby certify to the Company as follows:

- (a) ● (the "**U.S. Affiliate**") is, and at all relevant times was, a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and the date on which each offer was made by it in the United States, and all offers and sales of the Units in the United States have been effected by the U.S. Affiliate in compliance with all U.S. federal and state broker-dealer requirements;
- (b) immediately prior to making any offers to any U.S. Purchaser, we had reasonable grounds to believe and did believe that the U.S. Purchaser was a U.S. Accredited Investor, and, on the date hereof, we continue to believe that each such U.S. Purchaser purchasing Units from us is a U.S. Accredited Investor;
- (c) no form of General Solicitation or General Advertising was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet or any seminar or meeting whose attendees had been invited by General Solicitation or General Advertising, in connection with the offer or sale of the Units to U.S. Purchasers;
- (d) neither we nor the U.S. Affiliate, have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act; and
- (e) the offering of the Units in the United States has been conducted by us in accordance with the terms of the Agency Agreement including Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement, including Schedule A thereto, unless otherwise defined herein.

DATED this ____ day of _____, 2021.

By:

Name:
Title

By:

Name:
Title