



STRICTLY PRIVATE AND CONFIDENTIAL

January 1, 2023

XEMOTO MEDIA LTD.

77 King Street West
Suite 2905 TD Centre
Toronto, Ontario, M5K 1H1

Attention: Board of Directors and Chief Executive Officer

Re: Lead Engagement for Financing Efforts

Dear Sirs/Medames,

This letter (the “**Agreement**”) will confirm the engagement of Foundation Markets Inc. as the lead financing agent (“**FMI**”) with respect to the Financing (as hereinafter defined) for Xemoto Media Ltd. (the “**Company**”).

Terms and Conditions:

1. **The Financing.** FMI and the Company will work to complete one or more private placements of securities (the “**Securities**”) of the Company for a minimum of \$1,000,000, or such amounts agreed to between the Company and FMI (the “**Financing**”). This letter does not and will not under any circumstances represent an offer or commitment of FMI to underwrite the Financing, or purchase any securities of the Company, but rather sets out the basis upon which FMI is prepared to proceed to work with the Company on a reasonable effort basis to complete the Financing. All terms and conditions, including pricing, will be subject to approval and acceptance by the Company in its sole discretion, at any time up to closing.
2. **Services.** FMI will refer the Company to prospective subscribers, registered brokers, and syndicate members (“**Purchasers**”). FMI will act as a financing agent to facilitate the completion of the Financing in one or more tranches (each, a “**Closing**”). The Company agrees to pay FMI the fees set out in Section 3 (Fees) of this Agreement for any amounts raised by FMI or any finders introduced by FMI (“**Finders**”). Furthermore, until such time as this Agreement is terminated, the Company agrees not to enter discussions with any investment dealer, exempt market dealer or broker concerning a financing involving the securities of the Company.
3. **Fees.** The Company shall pay FMI the following fees and agree to the following terms in connection with the successful closing of the Financing:
 - i. A cash fee equal to 8% of the gross proceeds received by the Company from Purchasers introduced to the Company by FMI or its Finders (the “**Cash Fee**”). The Cash Fee shall be payable to FMI at Closing following the receipt by the Company of said proceeds; and
 - ii. Those number of broker warrants (the “**Broker Warrants**”) equal to 8% of the number of Securities sold to Purchasers introduced to the Company by FMI or its Finders. Each Broker Warrant shall entitle the holder thereof to purchase those Securities offered under the Financing and on such terms of the Financing for a period of not less than (i) five years from the date of Closing or; (ii) two years from the date the common shares of the Company are issued on a north American stock exchange.

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T: 416.777.7300 F: 416.777.6199 info@foundationmarkets.com www.foundationmarkets.com

4. **Relationship Between Parties.** Nothing contained in this Agreement shall be construed as:
 - i. Creating an obligation on each of FMI to market the Financing or solicit Purchasers for the Financing;
 - ii. Creating any obligation on the Company to accept subscriptions from any of the Purchasers introduced by FMI.
 - iii. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes any prior understandings and agreements between the parties with respect to its subject matter. Further, there is no agreement, commitment arrangement or understanding between the parties pursuant to which FMI will act as advisor, agent or underwriter or member of a selling group in respect of the Financing or in respect of a subsequent listing of securities of the Company. There are no representations, warranties, forms conditions, undertakings, or collateral agreements, express implied or statutory between the parties other than as expressly set forth in this Agreement.
5. **Information.** It is understood that FMI will provide specific information (the “**Information**”) to potential investors regarding the financial and operational affairs of the Company. The Company acknowledges and agrees that the Company has sole responsibility for the completeness and accuracy of the Information, provided that the Company has approved the Information in advance. Furthermore, the Company agrees to provide FMI with such Information and access to the Company’s officers, directors, employees, and professional advisors that FMI may reasonably request in order to conduct activities on behalf of the Company and to enable investors to make an informed investment decision. The Company agrees that it will keep FMI fully informed of all material business and financial developments affecting the Company. The Company recognizes and confirms that FMI will be using and relying upon the Information that the Company provides, and that FMI shall be under no obligation to verify and shall have no responsibility for the accuracy and completeness of any such Information.
6. **Direction of Enquiries.** The Company agrees to direct all enquiries from persons expressing an interest in participating in the Financing to FMI, as long as FMI are engaged hereunder.
7. **Expenses and Taxes.** Upon request of FMI, and subject to written approval of the Company, the Company will reimburse each of FMI for all reasonable out-of-pocket expenses incurred by FMI in connection with our engagement hereunder, including, but not limited to, advertising, printing, courier, telecommunications, data searches, travel, entertainment, any other expenses and the fees, taxes and disbursements of experts retained by us, together with related Goods and Services Tax, provincial sales taxes or harmonized sales taxes (“**Taxes**”). Such reimbursements will be payable upon a request for payment thereof by FMI whether the Financing is completed. All or part of the amounts payable under this Agreement may be subject to Taxes. Where such Taxes are applicable, an additional amount equal to the amount of such taxes owing will be payable by you.
8. **Representations by the Company.** The Company represents, warrants, and covenants to FMI that:
 - (a) **Good Standing, Title & Corporate Authority:** the Company is a valid and subsisting corporation duly incorporated and in good standing under the laws of the jurisdiction in which it was organized or continued and is registered to carry on business in each of the jurisdictions in which it carries on business or owns property or assets and has all necessary power and authority to own, lease and operate its properties and assets, to carry on its business as it is currently conducted and proposed to be conducted, and to enter into and perform its obligations under this Agreement;
 - (b) **Issuance of Securities:** the Securities to be issued at such Closing of the Offering will have been validly created by the Company and the attributes and characteristics thereof shall conform in all material respects with the description thereof contained in the Company’s public disclosure record or other marketing materials; the Company will reserve or set aside sufficient Securities and such Securities have been authorized for issuance and, when issued, the securities will be validly issued as fully paid and non-assessable;

- (c) Payment and Delivery of Securities: the Subscriber shall make payment for the Securities directly to the Company and the Company shall deliver certificates representing the Securities directly to the Subscriber or as otherwise directed by the Subscriber;
 - (d) Title: other than has been disclosed publicly by the Company in documents filed on the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators (“**SEDAR**”) (as applicable), the Company is the legal and beneficial owner of and has good and marketable title to the properties, business and assets or the interests referred to in the Company’s documents filed on SEDAR (as applicable), and all agreements by which the Company holds an interest in a property, business or assets are in good standing according to their terms;
 - (e) Disclosure and Financial Statements: the Company’s documents filed on SEDAR (as applicable), and all financial, marketing, sales and operational information provided to the Finder do not contain any misrepresentations and the Company’s financial statements filed with the applicable securities regulatory authorities have been prepared in accordance with International Financial Reporting Standards;
 - (f) Compliance with Laws and Regulations: the Company is in compliance with all applicable laws and regulations in the jurisdictions in which it carries on business and the Company does not know of, nor has reasonable grounds to know of, any facts that could give rise to any non-compliance;
 - (g) No undisclosed Material Change: there is not presently, and will not be until the Closing, any material changes or change in any material fact relating to the Company which has not been fully disclosed to the Subscriber;
 - (h) Offering Not in Conflict or Breach: the issue and sale of the Securities in the Offering by the Company does not and will not conflict with and will not result in a breach of: (i) any laws or regulations to which it is subject; (ii) the constating documents or resolutions of the Company; (iii) any agreement, instrument, lease or other document to which the Company is a party or by which it is bound; or (iv) any judgment or order binding the Company or the property or assets of the Company;
 - (i) No suits, proceedings, or judgments: the Company is not a party to any suits or proceedings which could materially affect the Company and to the best of the Company’s knowledge no such suits or proceedings are contemplated or have been threatened and there are no judgments against the Company which are unsatisfied, nor are there any consent decrees or injunctions to which the Company is subject;
 - (j) Reporting Issuer Status: the Company is not a reporting issuer within the meaning of the securities legislation in any of provinces and territories of Canada and is not in default of any of the requirements of applicable securities legislation;
 - (k) No Cease Trade Orders or Suspensions: as applicable to the Company, no order ceasing, halting or suspending trading in Securities of the Company nor prohibiting the sale of such securities has been issued to and is outstanding against the Company and no investigations or proceedings for such purposes are pending or threatened;
 - (l) Continuous Disclosure: the Company has and will have filed all documents that are required to be filed under the continuous disclosure provisions of the securities legislation; and
 - (m) Representations and Warranties true as of Closing: these warranties and representations are true and correct and will remain so as of the Closing of the Offering.
9. **Indemnity**. The Company agrees to indemnify FMI in accordance with Schedule “A” to this Agreement, which Schedule forms part of this Agreement and the consideration of which is the entering into of this Agreement. Such indemnity (the “**Indemnity**”) shall be executed and delivered to us on the execution and delivery of this Agreement

and shall be in addition to, and not in substitution for, any liability which according to any applicable laws the Company or any other person may have to FMI, or other persons indemnified pursuant to the Indemnity, apart from the Indemnity.

10. **Confidentiality and Non-Circumvention.** FMI acknowledges that certain confidential information will be disclosed to FMI by the Company or on behalf of the Company for the purposes set out in this Agreement (the “**Purposes**”). FMI agrees that all such confidential information provided to it will be kept confidential, provided that FMI may disclose the confidential information to its officers, employees, or other affiliates and representatives strictly on a need-to-know basis and will be used solely by each of FMI in connection with the Purposes of this Agreement, and for no other purpose. For the Purposes set out in this Agreement, FMI s will introduce the Company to certain persons and/or entities. The Company agrees that, for a period of twenty-four (24) months from the date of termination of this Agreement, it will not, unless FMI has first consented in writing, directly or indirectly contract and/or negotiate with any of the introduced persons, entities, Finders, or any of their officers, directors, employees, finders and/or affiliates so as to circumvent FMI interest hereunder. If the Company accepts an investment from an investor introduced by FMI within twenty-four (24) months from the termination of this Agreement, the Company will pay FMI fees pursuant to section 3 of this Agreement as if this Agreement was in force.

11. **Right of Participation.** During the term of this Agreement and for the 24-month period following the completion of a Financing, the Company hereby agrees to offer to FMI, the opportunity to act as a lead manager, underwriter and/or FMI and/or bookrunner for any offering of common shares of the Company, securities exchangeable or convertible into common shares of the Company, or debt instruments of the Company. If FMI does not accept the terms and conditions contained in the Company’s offer within 10 days of the offer, the Company may engage any other financial institution as manager, underwriter, FMI and/or financial advisor (as the case may be, depending on the nature of the transaction) in connection with such transaction, provided that the terms and conditions of any such engagement shall be no more favourable to such other financial institution than the terms and conditions offered by the Company to FMI.

12. **Termination.** The term of the Agreement shall commence upon execution of the Agreement by both the Company and FMI and shall terminate by either party providing not less than 30 days written notice to the other party (the “**Engagement Term**”). In the event the Company terminates the agreement for any reason other than set out herein, the parties agree the obligations under sections 3 (Fees), 7 (Expenses and Taxes), 9 (Indemnity), 10 (Confidentiality and Non-Circumvention), and Schedule “A” of this Agreement shall survive termination and, for a duration of 24 months thereafter, the Company shall be obligated to pay to FMI such fees that would otherwise be payable to FMI as set forth in Section 3 (Fees) of the Agreement, for any Purchaser or Finder introduced to the Company by FMI who participates in any similar transaction(s) contemplated herein.

13. **Notices.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be sufficiently given or made by delivery, by email to the respective parties as follows:

If to the Company:

77 King Street West, Suite 2905
Toronto, Ontario, M5K 1H1

Attention: Virginia Brailey, CEO
Email: v.brailey@xemoto.media

If to FMI:

77 King Street West, Suite 2905

Toronto, Ontario, M5K 1H1

Attention: Alex Storcheus

Email: astorcheus@foundationmarkets.com

Any notice so given shall be deemed conclusively to have been given and received, (i) in the case of personal delivery, when so personally delivered, (ii) in the case of postal mail, on the third business day after it was mailed (excluding each business day during which there existed any general interruption of postal services due to strike, lockout or other cause), and (iii) in the case of email, on the same day that it was sent if sent during business hours on a business day or on the first business day thereafter. Any party may change its address by notice to the others in the manner set out above.

14. **Public Announcement.** The Company acknowledges that FMI may, at its option and expense, place an announcement in such newspapers and periodicals as it may choose stating that FMI have acted as the financial advisor to the Company in connection with the Financing, provided that FMI shall submit a copy of such announcement to the Company for its approval, which approval shall not be unreasonably withheld, and provided that steps be taken to ensure that such announcement is not made in the United States.
15. **Independent Legal Advice.** The Company has been advised to seek independent legal counsel in respect of this Agreement and the matters contemplated herein and to the extent that the Company fails to seek independent legal counsel, it waives the right, should a dispute later develop, to reply on its lack of independent legal counsel to avoid its obligations, to seek indulgences from each of FMI or to otherwise attack the integrity of the agreement and the provisions hereof, in whole or in part.

Adam Szweras (“**Szweras**”) is a director and Chairman of FMI and has an indirect economic interest in FMI. Szweras is also counsel with the law firm of Fogler, Rubinoff LLP (“**Foglers**”). The Company further represents and warrants that neither Foglers nor Szweras has provided any legal advice or representation to or on behalf of the Company with regard to this Agreement.

16. **Other Provisions.**

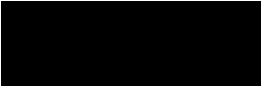
- a. The Company will comply with all applicable laws, regulations and policies, whether domestic, foreign, federal, national, provincial, state or otherwise, applicable to the Financing.
- b. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.
- c. All references to “dollars” or “\$” in this Agreement are to Canadian dollars unless otherwise expressly indicated.
- d. This Agreement may not be assigned without prior written consent, except FMI may assign this Agreement as part of a reorganization. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- e. No waiver, amendment, supplement, restatement, termination or other modification of this Agreement shall be effective unless in writing and signed by each party hereto.
- f. Any waiver of a provision of this Agreement shall be limited to the specific breach waived. No waiver of any breach, failure to exercise or delay in exercising, any right or remedy under this Agreement will be deemed to be a waiver of any subsequent breach or a waiver of that right or remedy.
- g. This Agreement supersedes any prior agreement, representation or undertaking between the parties hereto with respect to the subject matter hereof.

- h. To the extent that any provision or part thereof of this Agreement shall be determined to be unenforceable or invalid but capable of severance, the remainder of this Agreement shall remain enforceable to the maximum extent permitted by law.
- i. The parties agree to make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, assurances, instruments or documents as may be reasonably required by either of them in order to document or evidence any of the transactions or events set out herein.
- j. This Agreement may be executed in counterparts, each of which shall be deemed an original and may be delivered by email transmission.

[EXECUTION PAGE FOLLOWS]

If the foregoing is in accordance with your understanding, please indicate the Company's agreement by signing and returning the enclosed duplicate copy of this letter.

FOUNDATION MARKETS INC.

Per  /s/ "Alex Storcheus"

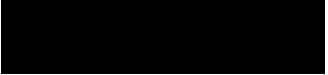
Alex Storcheus
Managing Director

I have authority to bind the Company

The foregoing accurately reflects the terms of the transaction that we hereby agree to enter into, and the undersigned agrees to be legally bound hereby.

Accepted as of the date set forth above.

XEMOTO MEDIA LTD.

 /s/ "Virginia Brailey"
Per: _____
Name: Virginia Brailey
Title: Chief Executive Officer

I have authority to bind the Company

SCHEDULE “A” - INDEMNITY

The Company, its subsidiaries or affiliated companies (collectively, the “**Indemnitor**”) hereby agree to indemnify and hold Foundation Markets Inc. (the “**FMI**”), each of its subsidiaries and affiliates, and each of its directors, officers, employees and Finders (hereinafter referred to as the “**Personnel**”) harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which FMI and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise, insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by FMI and its Personnel hereunder, or otherwise in connection with the matters referred to in the letter to which this indemnity is attached (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against FMI and/or its Personnel), provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) FMI and/or its Personnel has been negligent or has committed willful misconduct or any fraudulent act during such performance; and
- (b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, willful misconduct or fraud referred to in (a).

Without limiting the generality of the foregoing, this indemnity shall apply to all expenses (including legal expenses), losses, claims and liabilities that FMI may incur as a result of any action, litigation or regulatory proceeding that may be threatened or brought against FMI.

If for any reason (other than the occurrence of any of the events itemized in (a) and (b) above), the foregoing indemnification is unavailable to FMI or any Personnel or insufficient to hold FMI or any Personnel harmless, then the Indemnitor shall contribute to the amount paid or payable by FMI or any Personnel as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and FMI or any Personnel on the other hand but also the relative fault of the Indemnitor and FMI or any Personnel, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by FMI or any Personnel as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by FMI hereunder pursuant to the letter to which this is attached.

The Indemnitor agrees that in case any legal or regulatory proceeding shall be brought against the Indemnitor and/or FMI by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or shall investigate the Indemnitor and/or FMI, and/or any Personnel of FMI shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by FMI, FMI shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse FMI for time spent by FMI Personnel in connection therewith) and out-of-pocket expenses incurred by their Personnel in connection therewith shall be paid by the Indemnitor as they occur.

Promptly after receipt of notice of the commencement of any legal proceeding against FMI or any of FMI Personnel, or after 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, FMI will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by FMI to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify FMI and/or any Personnel. The Indemnitor shall on behalf of itself and FMI and/or any Personnel, as applicable, be entitled to (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however, that the defence shall be conducted through legal counsel acceptable to FMI and/or any Personnel, as applicable, acting reasonably, that no settlement of any such legal proceeding may be made by the Indemnitor without the prior written consent of FMI and/or any Personnel, as applicable, and none of FMI and/or any Personnel, as

applicable, shall be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld. FMI and its Personnel shall have the right to appoint its or their own separate counsel at the Indemnitor's cost.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of FMI and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, FMI and any of the Personnel of FMI. The foregoing provisions shall survive the completion of professional services rendered under the letter to which this schedule is attached, or any termination of the authorization given by the letter to which this is attached.