



**CLOUD NINE
WEB3 TECHNOLOGIES**

CLOUD NINE WEB3 TECHNOLOGIES INC.

**ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED SEPTEMBER 30, 2020**

July 16, 2021

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GLOSSARY OF DEFINED TERMS

In this Annual Information Form, the following capitalized words and terms shall have the following meanings:

\$	Canadian dollars.
AIF	The Annual Information Form of the Company for the financial year ended September 30, 2020.
BCBCA	<i>Business Corporations Act</i> (British Columbia).
BHR	BHR Capital Corp., a British Columbia company incorporated under the BCBCA on December 3, 2014 under incorporation number BC1020797, and a wholly owned subsidiary of the Company.
Board or Board of Directors	Board of directors of the Company as constituted from time to time.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
Cloud Nine or the Company	Cloud Nine Web3 Technologies Inc.
Cloud Nine College	Cloud Nine College Ltd. (formerly Anterior Education Systems Ltd.), a British Columbia company incorporated under the BCBCA on June 28, 2013 and previously a wholly-owned subsidiary of BHR.
Cloud Nine Education Platform	Cloud Nine ESL Program, which is a proprietary, digital based ESL curriculum developed by the Company.
Common Shares	Common shares in the capital of the Company.
COVID-19 pandemic	COVID-19 pandemic declared by the World Health Organization on March 11, 2020.
CSE	Canadian Securities Exchange.
English Canada	English Canada World Organization Inc., a wholly owned subsidiary of BHR incorporated in the province of Nova Scotia on November 27, 2003, under the Business Corporations Act of Nova Scotia.
ESL	English as a second language.
IELTS	International English Language Testing System.
NI 51-102	National Instrument 51-102 – <i>Continuous Disclosure Obligations</i> .
NI 52-110	National Instrument 52-110 – <i>Audit Committees</i> .
Share Consolidation	Consolidation of Cloud Nine’s Common Shares on the basis of one (1) new Common Share for every five (5) old Common Shares effective March 21, 2019.
Stock Option Plan	The Incentive Stock Option Plan originally approved by the Cloud Nine Shareholders on April 22, 2015, as amended on September 28, 2017.

ANNUAL INFORMATION FORM

The information in this AIF is dated as of July 16, 2021, unless otherwise indicated. For additional information and details, readers are referred to the audited consolidated financial statements for the financial year ended September 30, 2020, and notes that follow, as well as the accompanying management's discussion and analysis for the financial year ended September 30, 2020, which are available for review on the System for Electronic Documents Analysis and Retrieval ("**SEDAR**") at www.sedar.com under the Company's profile.

All financial information in this AIF for the year ended September 30, 2020, has been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

CURRENCY AND EXCHANGE RATES

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to \$ are to Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD LOOKING-STATEMENTS

This AIF contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this AIF speak only as of the date of this AIF or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. For a complete list of the factors that could affect the Company, please make reference to those risk factors further detailed under the heading "*Risk Factors*". Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward- looking statements contained in this AIF.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this AIF speak only as of the date of this AIF or as of the date specified in such statement. Specifically, forward-looking statements in this AIF include, but are not limited to, statements with respect to:

- timelines;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's anticipated use of proceeds and business strategy;
- the Company's ability to protect, maintain and enforce its intellectual property;
- the Company's future growth plans;
- the Company's expectations with respect to advancement of its business, operations products, and services, including the Cloud Nine Education Platform;
- the Company's ability to attract new customers and develop and maintain existing customers;
- the Company's competitive position;
- the COVID-19 pandemic and other global health pandemics and events that could substantially affect the Company's business; and
- anticipated trends and challenges in the Company's business and in particular, the education market.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly, or otherwise revise, any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make any further updates.

CORPORATE STRUCTURE

Name, Address and Incorporation

Cloud Nine was incorporated under the BCBCA on April 14, 2015 under the name "Anterior Education Holdings Ltd.". On March 30, 2016, the Company changed its name to "Cloud Nine Education Group Ltd."; on February 18, 2021, the Company changed its name to "Limitless Blockchain Technologies Inc."; and on February 26, 2021, the Company changed its name to "Cloud Nine Web3 Technologies Inc.".

The registered office of the Company is located at 800 - 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 and the head office is located at 610 - 700 West Pender Street, Vancouver, British Columbia, V6C 1G8.

The Company's Common Shares are listed on the CSE under the symbol "CNI", on the OTC Exchange under the symbol "CLGUF" and on the Frankfurt Stock Exchange under the symbol "1JI0". Cloud Nine is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

On March 21, 2019, the Company completed a consolidation of all of its issued and outstanding Common Shares on the basis of one (1) new Common Share for every five (5) old Common Shares resulting in a reduction in its issued and outstanding Common Shares from 40,732,519 to 8,146,504 as of March 21, 2019. The Common Shares reserved under the Company's equity and incentive plans were adjusted to reflect the Share Consolidation. All Common Share and per Common Share data presented in this AIF have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted.

Intercorporate Relationships

As of the date of this AIF, the Company has the following subsidiaries:

- BHR Capital Corp., a wholly owned subsidiary of Cloud Nine incorporated in the Province of British Columbia under the BCBCA on December 3, 2014, under incorporation number BC1020797; and
- English Canada World Organization Inc., a wholly owned subsidiary of BHR Capital Corp. incorporated in the Province of Nova Scotia on November 27, 2003, under the Business Corporations Act of Nova Scotia.

GENERAL DEVELOPMENT OF THE BUSINESS

General

Cloud Nine was incorporated in the Province of British Columbia on April 14, 2015, under the BCBCA. Effective June 10, 2015, the Company completed a Plan of Arrangement with BHR and Cervantes Capital Corp., whereby the Company became a reporting issuer, and BHR, and its wholly-owned subsidiaries, became wholly-owned subsidiaries of the Company. On November 25, 2016, the Company completed its initial public offering. The Common Shares were listed on the CSE on November 24, 2016 and started trading on December 1, 2016, under the symbol “CNI”.

Three Year History

The development of the Company’s business over the three most recently completed financial years and for the period since September 30, 2020, is described below. For more information, please refer to the publicly available information under the Company’s SEDAR profile.

The Company through its wholly-owned subsidiary, BHR, executed a definitive share purchase agreement dated July 19, 2018, with 1166338 BC Ltd. (“**1166338**”), a company controlled by Peter Lee, a director of the Company. Pursuant to the agreement, 1166338 acquired all of the issued and outstanding shares of Cloud Nine College, a wholly-owned subsidiary of BHR, for a total consideration of \$750,000. Cloud Nine College is a government accredited ESL school located in Vancouver, British Columbia, which provide courses in General English, Business English and IELTS Test Preparation. The disposition of Cloud Nine College did not include the Company’s proprietary, cloud-based digital ESL curriculum, the Cloud-Nine Education Platform. The Company continued to realign its business strategy to focus on the Cloud Nine Education Platform. In connection with the sale of Cloud Nine College, the Company incurred transactions costs of \$71,590 and recognized a gain on sale of \$724,535.

On July 19, 2018, the Company also completed a non-brokered private placement of 500,000 Common Shares at a price of \$0.50 per Common Share for gross proceeds of \$250,000. The Company issued 50,000 Common Shares at a fair value of \$25,000 as a finder’s fee. The Company also issued 25,000 Common Shares at a deemed price of \$0.525 per Common Share to settle a debt of \$13,125.

On October 4, 2018, the Company issued 90,000 Common Shares at a deemed price of \$0.50 per Common Share to a former officer to settle outstanding debt of \$45,000.

Effective March 21, 2019, the Company consolidated all of its issued and outstanding Common Shares on the basis of one post-consolidation Common Share for every five pre-consolidation Common Shares. The name and trading symbol of the Company did not change as a result of the Share Consolidation. As a result of the Share Consolidation, the issued and outstanding Common Shares of the Company were reduced from 40,732,519 Common Shares to 8,146,504 Common Shares.

On March 28, 2019, the Company completed a non-brokered private placement of 8,640,546 units at a price of \$0.075 per unit for gross proceeds of \$648,041. Each unit consisted of one Common Share and two one-half of one transferable Common Share purchase warrants as follows:

- The first one-half warrant entitled the holder to acquire one Common Share at a price of \$0.15 per Common Share until March 28, 2021, subject to acceleration if the Common Shares traded at a price of \$0.25 or greater for a period of 10 consecutive trading days after four months and one day from the date of closing of the private placement; and
- The second one-half warrant entitled the holder to acquire one Common Share at a price of \$0.30 per Common Share until March 28, 2021, subject to acceleration if the Common Shares traded at a price of \$0.50 or greater for a period of 10 consecutive trading days after four months and one day from the date of closing of the private placement.

The proceeds from the sale of Cloud Nine College and the aforementioned private placements provided the Board with financial flexibility to evaluate Cloud Nine's strategic direction with respect to its educational technology platform in order to maintain a presence in the educational technology industry. With the goal of leveraging its existing platform to diversify its assets, the Company implemented changes in management. On July 1, 2019, Kulwant Sandher was appointed as the Company's CFO. Mr. Sandher replaced Peter Lee who was appointed the new CEO of Cloud Nine College. On July 1, 2019, Peter Lee was also appointed to the Board, replacing Jim Matkin who retired from his position as a director of the Company.

On November 13, 2019, the Company added Dr. Elsa Perez, PhD in applied linguistics, as corporate director of business development in the greater Latin American and Mexican territories. On April 23, 2020, the Company secured a loan in the aggregate amount of \$60,000 from the Government of Canada under the Canada Emergency Business Account COVID-19 relief loan. The loan carries no interest and matures on December 31, 2022. If the Company repays \$40,000 of the loan on or before December 31, 2022, the remaining amount of \$20,000 will be forgiven. If the loan is not repaid in full by December 31, 2022, it may be extended to December 31, 2025, at a rate of 5% per annum.

Due to the COVID-19 pandemic, in the financial year ended September 30, 2020, the Company's focus shifted from product development through external consultants and the acquisition of assets to complement its existing platform, to capital preservation and the restructuring of its business operations. The Company's management team had to temporarily suspend discussions related to the vending in of new technologies to support the Cloud Nine Education Platform due in part to travel restrictions resulting from the COVID-19 pandemic.

Events subsequent to the financial year ended September 30, 2020

The Company completed several financings in the months subsequent to the financial year ended September 30, 2020, as described below, with the intention of using the net proceeds for working capital, software development, and general corporate purposes.

On January 18, 2021, the Company closed a non-brokered private placement of one year secured convertible debentures in the principal amount of \$1,199,600. The debentures bear interest at a rate of 5% per annum, payable on maturity. The principal amount, together with all accrued and unpaid interest, is convertible into units of the Company, at the option of the holder, at a price of \$0.06 per unit, where each unit is comprised of one Common Share and one transferable Common Share purchase warrant of the Company. Each warrant is exercisable into one additional Common Share at a price of \$0.07 per Common Share for a period of two years from the date of conversion. The debentures are secured by a charge over all the assets of the Company.

On February 2, 2021, the Company closed the first tranche of a non-brokered private placement issuing 6,235,666 units at a price of \$0.30 per unit for gross proceeds of \$1,870,700. Each unit consisted of one Common Share and one-half of one transferable Common Share purchase warrant of the Company. Each whole warrant is exercisable into one Common Share at a price of \$0.75 per Common Share for a period of one year from the date of issuance. On February 5, 2021, the Company closed the second tranche of the non-brokered private placement, issuing 3,211,641 units for gross proceeds of \$963,492.

On February 9, 2021, Kant Trivedi was appointed as an independent director of the Company and Nilda Rivera was appointed as the Company's CFO and Corporate Secretary. Ms. Rivera replaced Kulwant Sandher as CFO, who remains a director of the Company.

On February 15, 2021, the Company entered into a letter of intent with Victory Square Technologies Inc. ("**Victory Square**") to acquire certain intellectual property assets ("**IP Assets**"). The Company completed a debt settlement pursuant to a debt assignment and settlement agreement dated February 17, 2021, related to unsecured convertible debentures in the aggregate principal amount plus interest of \$321,950, of which, \$21,950 was assigned to a related party. The debentures, which were originally issued on July 10, 2017 in the principal amount of \$274,000, matured on February 28, 2019, bore interest at 12% per annum and were convertible into Common Shares at a price of \$0.70 per Common Share. Pursuant to the debt assignment and settlement agreement and as approved by the CSE, the conversion price was amended from \$0.70 to \$0.10 per Common Share. On February 19, 2021, the \$321,950 debentures were converted into 3,219,500 Common Shares.

On February 18, 2021, the Company changed its name to "Limitless Blockchain Technologies Inc.". On February 26, 2021, the Company changed its name to "Cloud Nine Web3 Technologies Inc.". Along with the name change, the Company adopted a new logo and launched its new website, cloud9web3.com. The Company's new CUSIP and ISIN numbers are 18913C101 and CA18913C1014, respectively. There was no change to Cloud Nine's capitalization structure and trading symbol as a result of the name change.

On March 1, 2021, Cloud Nine entered into an agreement with ARI LLC, an independent systems and programming firm, to enhance and develop Cloud Nine's educational technology platform. This includes content design, data centre hosting, software development and security auditing.

On March 3, 2021, Cloud Nine retained Bluzelle Networks Pte Ltd. ("**Bluzelle**") for specialized Web3 development services to oversee the expanded Cloud Nine development team to focus on the creation of global assessment platform to provide services for storing and managing degree information, capacity-currency transformation bank and Airbnb™ for file storage.

On March 3, 2021, the Company engaged Fortyfive Media Inc. to provide marketing and publication services to assist in creating and increasing public awareness of Cloud Nine's activities, strategic plans and investment opportunities.

On March 5, 2021, the Company launched its new educational technology platform, which targets the education and stay-at-home sectors with selective learning modules and critical information related to cyber-security, crypto and blockchain sectors.

On March 8, 2021, the Company appointed Pavel Bains as a strategic advisor. Mr. Bains is a Blockchain expert and CEO and co-founder of Bluzelle. Mr. Bains works with Cloud Nine's management team to align strategic opportunities, support future plans, and help advance the Company's plans to expand in the educational technology market.

Pursuant to an asset purchase agreement dated March 15, 2021, the Company completed the acquisition of the IP Assets from Victory Square. In consideration for the acquisition of the IP Assets, the Company issued 4,411,765 Common Shares at a deemed issue price of \$1.36 per Common Share for a purchase price of \$6,000,000. A cash finder's fee of \$300,000 was paid in connection with the acquisition. The IP Assets include the "Limitless Technologies" brand, a development stage EdTech platform, the development stage Limitless Technologies virtual private network (VPN) platform and related decentralized storage technologies. Victory Square developed the platform over a period of 3 years at a cost of approximately \$3.2 million. Cloud Nine anticipates it will incur a further \$500,000 in development costs to advance the platform to the beta testing phase and hopes to offer a finished product before the end of 2021.

On March 24, 2021, the Company appointed Shafin Diamond Tejani as a strategic advisor. Mr. Tejani is the CEO and founder of Victory Square. Mr. Tejani assists Cloud Nine with product development, marketing, and expanding on partnerships in the emerging technology space.

On March 30, 2021, the Company appointed Hussein Hallak as a strategic advisor. Mr. Hallak is the CEO and founder of Unleashed Ventures Inc., a venture capital and private equity firm in Vancouver, British Columbia. Mr. Hallak assists with the advancement of the Company's product portfolio.

On April 1, 2021, Sefton Fincham was appointed President of the Company. Mr. Fincham replaced Allan Larmour who remains CEO and a director of the Company. Mr. Fincham is the founder of Look to the Sky Films and Thirty Six Financial Group, an investment firm focused on small cap and special situation investing.

On April 1, 2021, the Company commenced trading on the Frankfurt Stock Exchange under the ticker symbol “1JI0”, and that it had been assigned an International Securities Identification Number (ISIN: CA18913C1014) and a German Securities Identification Number (WKN: A2QQ2V).

On April 20, 2021, the Company entered into a strategic partnership with Next Decentrum, a technology startup focused on education and emerging technologies. Next Decentrum Technologies Inc. (“**Next Decentrum**”) works with the Company to develop non-fungible token (NFT) products and a series of educational products.

On May 11, 2021, the Company appointed Shin-Young Park, WePay Korea’s CEO, as a strategic advisor. Mr. Shin works with Cloud Nine to advance the Limitless Technologies assets and brand.

On May 12, 2021, the Company closed the first tranche of a non-brokered private placement, issuing 933,655 units at a price of \$1.37 per unit, for gross proceeds of \$1,279,107. Each unit consisted of one Common Share and one-half of one transferable Common Share purchase warrant of the Company. Each whole warrant is exercisable into one Common Share at a price of \$1.75 per Common Share for a period of 12 months from the date of issuance, subject to accelerated expiry if the Common Shares have a closing price on the CSE of greater than \$2.50 for ten consecutive trading days. On May 14, 2021, the Company closed the second tranche of the non-brokered private placement, issuing 182,500 units for gross proceeds of \$250,025.

On May 18, 2021, the Company appointed Richard Oh and Eric Sim as strategic advisors. Mr. Oh is a former executive at PayPal Asia and Mr. Sim is CEO of GLOCONTECH. Mr. Oh and Mr. Sim work with Cloud Nine to advance the Limitless Technologies assets and brand.

On June 16, 2021, the Company appointed Dan Reitzik as special advisor to the Board of Directors. Mr. Reitzik has co-founded and managed both private and publicly listed technology companies for over 20 years. Mr. Reitzik works closely with the Company’s senior management team to identify additional products areas, open up new lines of business, commercialize the Company’s latest technology products, build significant strategic distribution relationships, and establish Cloud Nine as a leader in decentralized networks and storage technologies.

On June 28, 2021, the Company entered into the following agreements with Next Decentrum, each dated June 25, 2021: (i) a strategic alliance agreement, pursuant to which Next Decentrum is to provide development services to Cloud Nine; (ii) a share purchase agreement (“**SPA**”), to facilitate Cloud Nine’s strategic investment in Next Decentrum; and (iii) an investor rights agreement, which grants Cloud Nine a right of first refusal to acquire Next Decentrum in the event of a potential change in control sale. In accordance with the terms and conditions of the SPA, Cloud Nine will acquire a 19.7% ownership interest in Next Decentrum, on an undiluted basis, by providing a total cash payment of \$500,000 in eight tranches over a period of six months, in exchange for the issuance of an aggregate of 2,673,792 units of Next Decentrum, at a price of \$0.187 per unit. Each unit is comprised of: (i) one common share of Next Decentrum, and (ii) one non-transferable common share purchase warrant, with each warrant entitling Cloud Nine to acquire one additional common share of Next Decentrum at a price of \$0.2805 per share for a period of 24 months from the date of issuance. Cloud Nine has closed the first and second tranches of its strategic investment in Next Decentrum and the final tranche is scheduled to be completed by December 31, 2021. Cloud Nine has the right to increase its ownership in Next Decentrum to up to 28.2% by

providing an additional investment of up to \$750,000 in connection with the exercise of all 2,673,792 warrants granted under the SPA. The first and second tranches involved Cloud Nine's purchase of 534,758 units for a cash payment of \$100,000.

Growth Strategy

The Company's goal is to continue to develop its business to become a leading provider of educational technology to educational institutions, workforces, partners and clients. By providing this technology, Cloud Nine will enable its customers to profitably develop which provides them with a competitive advantage. The Company is focused on expanding its educational technology platform capabilities and features and intends to generate revenue by pursuing a growth strategy consisting of: (i) growth of its existing customer base; (ii) development of newly acquired assets; (iii) opportunistic acquisitions; (iv) strategic alliances; and (v) geographic expansion.

Significant Acquisitions

During the financial year ended September 30, 2020, the Company did not complete any significant acquisitions for which disclosure is required under Part 8 of NI 51-102.

DESCRIPTION OF THE BUSINESS

General

Overview and Market

The Company is a development stage technology issuer. Currently, its principal focus is on the continued development and marketing of its interactive and proprietary Cloud Nine Education Platform as well as its integration with the recently acquired Next Decentrum EdTech platform. Although the Company's principal business is the advancement of its educational technology platforms, with the assistance of its strategic advisors it intends to expand on its platform capabilities by pursuing a growth strategy that includes the following elements: the Limitless Technologies VPN platform; a digital wallet; and a decentralized storage application.

The Company intends to incorporate monetization and integration strategies with Cloud Nine's existing platform to build out new and efficient ways of educating and furthering user experience in the world of Web 3.0. Cloud Nine will leverage the latest technology to deliver products and services for an open and more secure internet and to deliver innovations that change the way the world manages information, analyzes data, purchases and consumes goods, and communicates across the globe. Cloud Nine anticipates that it will incur a further \$500,000 in development costs to advance the platform to the beta testing phase and hopes to offer a finished product before the end of 2021.

With Cloud Nine's education platform, the Company aims to revolutionize the education sector with smart and adaptive learning ready for a world dominated by emerging technologies, where speed of learning is as important as the quality of learning. The Company's education platform provides a selection of technology products that cover the needs of the education and business sector to learn emerging technologies at the speed of the market and the speed of progress. The Company expects to target the education and stay-at-home sectors with selective learning modules and critical

information related to the cybersecurity, crypto and blockchain sectors. To supplement its existing educational technology platform, the Company may invest in joint ventures or acquire assets or businesses in the blockchain or cryptocurrency sector, if opportunities arise.

Products

The Company's current products consist of two educational technology platforms, the Cloud Nine Education Platform and the Next Decentrum EdTech Platform and the development stage Limitless Technologies Platforms, all of which are described below.

Cloud Nine Education Platform

The Company's principal business is the continued development, marketing and sale of the Cloud Nine Education Platform. The Cloud Nine Education Platform is a cloud-based digital curriculum designed to be used by teachers to teach beginner to advanced English to students aged 15 and older. The digital curriculum is designed to be used in Canada and internationally by universities, schools, and English learning centres to replace or augment textbook learning systems. A digital curriculum has the advantage of supporting a multi-media delivery platform that can be more engaging for both the teacher and the student, which can improve learning outcomes. The ESL market is still a textbook dominated market; however, the Company expects this to rapidly change.

Next Decentrum EdTech Platform

The EdTech platform is designed to provide users with easy and simple guides to cybersecurity, wearable technologies, blockchain technology, crypto currencies and decentralized Finance (DeFi).

Cloud Nine partnered with Next Decentrum and released and marketed "The Quick & Dirty Guide to NFTs", a blockchain guide giving full historical context in bite-sized information with visually stunning graphics. It is designed to help those interested to learn blockchain at a quick pace without the need to decipher tech jargon. The Blockchain guide can be accessed at Cloud9Web3.com/Register. The Company expects to release more programs over the course of the next few months.

Limitless Technologies Network (VPN Miner) – Development Stage

The Limitless Technologies platform is being developed to give consumers 'plug and play' opportunities to mine favorite cryptocurrencies which will be then immediately stored in the consumer's in-app digital wallet.

Digital Wallet for Desktop and Mobile – Development Stage

The Company's development stage digital wallet is a crypto credit card paired with user friendly cryptocurrency banking services on desktop, mobile and hardware wallets.

Decentralized Storage Application – Development Stage

The Company's development stage decentralized storage application or AirBnB of Storage, will take

under-utilized computer resources and will provide secure and affordable databases.

The Company wishes to leverage the existing Cloud Nine Education Platform to diversify its assets. With the assistance of the strategic advisors it appointed in 2021, Cloud Nine is working toward completing the business objectives in the anticipated time period indicated on the table below:

Business Objectives	Anticipated Time Period	Anticipated Costs (\$)*
<i>Limitless Technologies Platform</i>		
Finish Beta of Limitless Technologies Platform	August 2021	20,000
Release Limitless Technologies Platform to general public	August 2021	20,000
Comarketing and referral system to grow platform	September 2021	20,000
Launch special events and marketing promotions	November 2021	100,000
Revenue partnerships and dashboard for revenue partners	December 2021	60,000
Closed Beta for Decentralized Storage platform	December 2021	250,000
Open Limitless Technologies Platform (Computer, Storage, Network) up to third parties	February 2022	40,000
Marketing and branding	Ongoing	300,000
Total		810,000
<i>Education Platforms</i>		
Cybersecurity Guide to NFTs	August 2021	2,000
Legal Guide to NFTs	October 2021	4,000
Launch content partnership with Visual Capital	November 2021	35,000
Branding Guide to NFTs	December 2021	3,000
Quick & Dirty Guide to NFTs Video Course	February 2022	10,000
Close 10 clients (3 universities, 7 corporations)	April 2022	55,000
Total		109,000

* Anticipated costs represent management's best estimate at the date of this report.

Growth Strategy

The Company's goal is to continue to develop its business to become a leading provider of educational technology to educational institutions, workforces, partners and clients. By providing this technology, Cloud Nine will enable its customers to profitably develop which provides them with a competitive advantage. The Company is focused on expanding its educational technology platform capabilities and features and intends to generate revenue by pursuing a growth strategy consisting of: (i) growth of its existing customer base; (ii) development of newly acquired assets; (iii) opportunistic acquisitions; (iv) strategic alliances; and (v) geographic expansion.

Specialized Skill and Knowledge

Many of the necessary specialized skill and knowledge required by the Company as an educational technology company are available from the Company's directors and officers. To the extent additional specialized skill and knowledge are required, the Company retains outside consultants.

Competition

The Company faces competition from other participants in similar industries and believes that its competitors in the marketplace include the creators of the following products:

- Absorb;
- Adobe Captivate Prime;
- Cyber Ghost;
- Express VPN;
- IP Vanish;
- LearnUpon; and
- Nord VPN.

The Company believes that its products are distinguishable from those offered by its competitors in a number of ways, including, but not limited, to the following:

- Cloud Nine owns its network;
- Cloud Nine has custom-built software that is user-friendly;
- Cloud Nine is able to offer premium services for free without a blockchain mining component;
- Cloud Nine's focus on emerging technologies; and
- Cloud Nine intends to provide a peer to peer feature to provide for more efficient international streaming.

Intangible Properties

Through the acquisition from Victory Square, Cloud Nine obtained the IP Assets, which include the development stage assets previously owned and advanced by Victory Square's development team, including the "Limitless Technologies" brand, the Next Decentrum EdTech platform, the VPN and related decentralized storage technologies.

Cloud Nine's website is <https://cloud9web3.com/>. The Company also owns the following domains, under the "Limitless Technologies" brand: (i) limitlessvpn.com; and (ii) limitlessblock.com.

Going forward, the Company intends to integrate Cloud Nine's proprietary assets within Cloud Nine's pre-existing platform. In order to protect these intangible properties, the Company may implement strategic processes to register copyrights, trademarks and domain names in Canada.

Cycles

The Company does not expect the market for its products to experience cyclical or seasonal changes.

Economic Dependence

The development team of Cloud Nine's educational technology platform consists of independent contractors, who are paid to develop Limitless Technologies Platform, by approximately end of 2021.

Changes to Contracts

The Company does not reasonably expect any material changes to contracts or business relationships in the current financial year.

Employees and Consultants

As of the date of this AIF, the Company employed five employees, of which two were full-time employees, and 2 consultants. Cloud Nine's technology platform is being developed by various consultants who serve as independent contractors to the Company.

Lending

The Company's operations generally do not include any lending operations. The Company does not have a formal policy with respect to lending activities, nor does it have any lending or investment restrictions. Invoices to customers must be paid in a reasonable time period.

Bankruptcy and Similar Procedures

There were no bankruptcies, receivership or similar proceedings against the Company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the Company or its subsidiaries, within the three most recently completed financial years, or during or proposed for the current financial year.

Reorganizations

There have been no material reorganizations of the Company or any of its subsidiaries within the three most recently completed financial years or are currently proposed for the current financial year.

RISK FACTORS

The following discussion summarizes the principal risk factors that apply to the Company's business and that may have a material adverse effect on the Company's business, assets, liabilities, financial condition, results of operations, prospects, and cash flows and the future trading price of the Common Shares. Due to the nature of Cloud Nine's business, the legal and economic climate in which it operates and its present stage of development and proposed operations, Cloud Nine is subject to significant risks. The risks described herein are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties of which management is not currently aware or that management currently believes to be immaterial may also materially adversely affect Cloud Nine's business and financial condition and the future trading price of the Common Shares.

This AIF also contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors. See "*Cautionary Note Regarding Forward-Looking Statements*" for additional information on the risks, assumptions and uncertainties found in this

AIF.

Reliance on Management

The success of Cloud Nine is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on Cloud Nine's business, operating results or financial condition.

Key Personnel

The Company's success will depend on its directors' and officers' ability to develop and execute its business strategies and manage its ongoing operations. Furthermore, the Company's continued growth will depend on its ability to identify, recruit and retain key management and technical personnel. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the business. Competition for qualified technical staff as well as officers and directors can be intense, and no assurance can be provided that the Company will be able to attract or retain key personnel in the future which may adversely impact operations.

Risks Related to Insurance

The Company intends to insure its operations and the IP Assets in accordance with technology industry practice. However, such insurance may not be available, may be uneconomical for the Company, or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or not fully covered by insurance could have a material adverse effect on the Company.

Cyber Security

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources, such as employees, contractors, service providers, suppliers and operational risks or external sources, such as nation states, terrorists, hacktivists, competitors and acts of nature. Cyber incidents include, but are not limited to, unauthorized access to information systems and data, such as through hacking or malicious software, for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (efforts to make network services unavailable to intended users).

A cyber incident that affects the Company or its service providers might cause disruptions and adversely affect their respective business operations and might also result in violations of applicable law, such as personal information protection laws, each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. In addition, substantial costs might be incurred to investigate,

remediate and prevent cyber incidents.

Privacy Laws

Cloud Nine is subject to federal, state, provincial and foreign laws regarding privacy and protection of data. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. Any failure by the Company to comply with privacy related laws and regulations could result in proceedings against Cloud Nine by governmental authorities or others, which could harm the Company's business. In addition, the interpretation of data protection laws, and their application is unclear and in a state of flux. There is a risk that these laws may be interpreted and applied in conflicting ways from province to province, state to state, country to country or region to region, and in a manner that is not consistent with the Company's current data protection practices. Complying with these varying requirements could cause Cloud Nine to incur additional costs and change the Company's business practices. Further, any failure by the Company to adequately protect partner or consumer data could result in a loss of confidence in Cloud Nine's platform which could adversely affect its business.

Regulatory Risks

The Company is subject to a variety of laws, regulations and guidelines in the jurisdictions in which it operates and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions or additional changes to the jurisdictions in which it operates. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a material adverse effect on the business of the Company. In addition, the Company's failure to comply with laws and regulations or obtain any required approvals thereunder could also have a material adverse effect on its business. Such laws and regulations are subject to change, including as a result of unforeseen events such as the current COVID-19 pandemic. Accordingly, it is impossible for the Company to predict the cost or impact of changes to such laws and regulations on its respective future operations.

Changes in or more aggressive enforcement of laws and regulations could adversely impact companies involved in the education or technology industries. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could have an adverse impact on such businesses' future cash flows, earnings, results of operations and financial condition. Operation in the education or technology industries may carry significantly higher risks of litigation or regulatory oversight than operations in other industries.

Dependence on Internet Infrastructure

The success of any developer of educational technology will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. It cannot be assured that the infrastructure will continue to be able to support the demands placed upon it by Cloud Nine's platform or that the performance or reliability of the technology will not be adversely affected by continued growth.

Limited Operating History

The Company has a limited history of operations. As such, the Company will be subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment. There can be no assurance that the Company will be able to develop any of its projects profitably or that any of its activities will generate positive cash flow.

Liquidity and Additional Financing

Additional funds, by way of private placement offerings, may need to be raised to finance the Company's future activities. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

Going-Concern Risk

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Operating Losses

The Company is in the growth phase of its business and is subject to the risks associated with early stage companies, including uncertainty of revenues, markets and profitability, and the need to raise additional funding. Cloud Nine's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stage of development, particularly companies in relatively new and evolving markets.

The Company has a very little history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations on acceptable terms or at all.

Conflicts of Interest

The Company may be subject to potential conflicts of interest as some of its directors and officers may be engaged in a range of other business activities. The Company's executive officers and directors are permitted to devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these

business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations.

The Company may also become involved in other transactions which conflict with the interests of its directors and officers who may, from time to time, deal with persons, institutions or corporations with which the Company may be dealing, or which may be seeking investments similar to those the Company desires. The interests of these persons could conflict with the Company's interests. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval thereof in accordance with applicable laws. In accordance with applicable laws, the Company's directors are required to act honestly, in good faith and in the Company's best interests.

Uninsured or Uninsurable Risk

The Company may become subject to liability for risks against which it is uninsurable or against which the Company may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on the Company's financial position and operations.

Litigation, Mediation, and/or Arbitration

The Company may become party to regulatory proceedings, litigation, mediation, and/or arbitration from time to time in the ordinary course of business, which could adversely affect its business, financial condition and operations. Monitoring and defending against legal actions, with or without merit, can be time-consuming, divert management's attention and resources and can cause it to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and the Company could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While Cloud Nine has insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation may adversely impact Cloud Nine's business, financial condition, or operations. Litigation, and any decision resulting therefrom, may also create a negative perception of the Company.

Share Price Volatility

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to several factors, many of which are beyond the Company's control including actual or anticipated fluctuations in the Company's results of operations; changes in the economic performance or market valuations of companies in the same industry in which the Company operates; sales or perceived sales of additional Common Shares; release or expiration of transfer restrictions on outstanding Common Shares; operating and share price performance of other companies that investors deem comparable to the Company; addition or departure of the Company's executive officers and other key personnel; announcements of developments and other material events by the Company or its competitors; sentiments toward technology and education

sector stocks; recommendations by securities research analysts; operating and financial performance that varies significantly from the expectations of management, securities analysts and investors; regulatory changes affecting the Company's industry, business and operations; news reports relating to trends, concerns, technological or competitive developments, and other related issues in the Company's industry or target markets; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and changes in global financial markets, global economies and general market conditions, such as interest rates and product price volatility.

These factors may have a significant impact on the market price of the Common Shares. Global stock markets, including the CSE, have, from time-to-time, experienced extreme price and volume fluctuations. The same applies to companies in the technology and education sectors. There can be no assurance that an active or liquid market will develop or be sustained for the Common Shares.

Finally, as a result of the COVID-19 pandemic, global equity and capital markets have experienced significant volatility and weakness. The extent to which the COVID-19 pandemic impacts the Company's future business, including Cloud Nine's operations and the market for securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the COVID-19 pandemic and the actions taken to contain or treat the COVID-19 pandemic. It is not possible to reliably estimate the length and severity of these developments or the negative impact on our financial results, Common Share price and financial position in future periods. Many of the risks, uncertainties and other risk factors identified in this AIF are, and will be, amplified by the COVID-19 pandemic.

Intellectual Property

Cloud Nine's success depends in part on its ability to protect its ideas and technology. Even if it moves to protect its technology with trademarks, patents, copyrights or by other means, Cloud Nine is not assured that competitors will not develop similar technology and business methods or that it will be able to exercise its legal rights. Policing the unauthorized use of current or future trademarks, patents, trade secrets or intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources such that said actions may have a materially adverse impact in its ability to successfully grow its business. An adverse result in any litigation or defense proceedings could put one or more of the trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect Cloud Nine's business, financial condition and operations.

Defects or Disruptions in Technology Platforms

Defects or disruptions in the technology platforms and network infrastructure Cloud Nine relies on could materially harm the Company's business and operating results. The Company's operations are dependent upon its ability to protect its computer equipment and stored information against damage that may be caused by fire, power loss, telecommunications failures, unauthorized

intrusion, computer viruses and disabling devices, and other similar events. Although the Company has redundant and back-up systems for some of Cloud Nine's solutions and services, these systems may be insufficient or may fail and result in a disruption of availability of the Company's solutions or services. Cloud Nine also relies on third-party Internet providers and developers, and such third parties and their technology platforms, services and operations may also be vulnerable to similar defects and disruptions, which could in turn affect the Company's operations. Any disruption to the Company's services could impair Cloud Nine's reputation and cause it to lose partners, customers or revenue, or face litigation, necessitate service or repair work that would involve substantial costs and distract management from operating the business. The Company may not be indemnified by third parties for any disruptions to our services that are outside of our direct control.

Technology Risk

The Company's products and services are partially dependent upon advanced technologies which are susceptible to rapid and substantial changes. There can be no assurance that the Company's products and services will not be seriously affected by, or become obsolete as a result of, such technological changes. Further, the Company's services and products are constantly under revision and development and there can be no assurance that the Company's efforts will result in viable commercial products or services as conceived by the Company.

There is a risk that similar products which may include features more appealing to customers may be developed after the Cloud Nine platform has established itself in Canadian and international markets; and that other products competing with the Company's education technology platform may use technologies not yet incorporated in the Company's platform.

Product Quality Risk

If the information that the Company provides to customers is inaccurate, or perceived to be inaccurate, the Company's brand and overall reputation within the education sector may be harmed. The information collected by the Company or included in its databases, including its education platform, may contain real or perceived inaccuracies. Any dissatisfaction by customers or the media with the Company's services, products or methodologies could have an adverse effect on the Company's ability to retain existing customers and attract new customers. Additionally, the Company could be contractually required to pay damages, which could be substantial, to certain customers if the information provided to them is found to be negligent in its generation or delivery, and the customers relied on said negligence to make decisions that cause harm to them. Any harm incurred or any harm to the Company's brand or reputation due to actual or perceived irregularities or inaccuracies in the Cloud Nine platform could harm the Company's overall business and adversely affect the Company's reputation and its revenue.

Competitive and Pricing Risk

The markets for education and training are fragmented, highly competitive and rapidly changing. The Company expects to experience additional competition in the future as more colleges, universities, and for-profit schools offer an increasing number of online programs. With the introduction of technological advances and new entrants into these markets at a rapid pace, competition is expected to intensify in the future which could harm the Company's ability to develop

a customer base for the products and mitigate the revenue being generated. Some of the Company's competitors in both the public and private sectors also have substantially greater financial and other resources than the Company. The Company's potential competitors may have significantly greater financial, technical, marketing and other resources; may be able to devote greater resources to the development, promotion, sale and support of their products and services; may have more extensive customer bases and broader customer relationships; and, may have longer operating histories and more brand recognition. In some cases, these businesses may choose to offer their products and services at lower prices or rates in response to new competitors entering the market. In competing with such businesses, the Company may be unable to establish demand for its product and services which could negatively impact the Company's business and potential revenues.

Product and Services Development

The Company may not be able to improve the content of existing courses or develop new courses or services in a timely or cost-effective manner. The Company is constantly updating and improving the content of its existing courses and developing new courses or services to meet changing market demands. Revisions to existing courses and newly developed courses or services may not be well received by existing or prospective students or their institutions. Furthermore, offering new courses or services or modifying existing courses may require the Company to invest in content development, increase marketing efforts and re-allocate resources away from other uses. Even if the Company's new courses or services are well received, the Company could suffer adverse results if these new courses and services are not offered in a timely or cost-effective manner. If the Company does not respond adequately to changes in market demands, then the Company's ability to attract and retain students may be impaired and financial results could suffer.

Confidentiality Risk

Personal information collected by the Company in the ordinary course of business may be vulnerable to breach, theft or loss. This could subject the Company to liability or negatively impact the Company's reputation and operations. The Company collects, uses and retains large amounts of personal information from its student base, including personal and financial data. The Company also collects and maintains personal information of its employees. Although the Company uses security controls to limit access and use of personal information, a third party or internal errors within the Company may circumvent these controls, which could result in a breach of student or employee privacy. A violation of any laws or regulations relating to the collection or use of personal information could result in the Company incurring fines. While the Company believes it takes appropriate precautions and safety measures, there is still a possibility that a breach, theft or loss of personal information may occur. Any breach, theft or loss of such personal information could negatively impact the Company's financial condition, reputation, and may result in the Company incurring liability.

Future Acquisitions or Dispositions

The Company has completed certain acquisitions, including the recent IP Assets acquisition. Material acquisitions, dispositions, and other strategic transactions involve a number of risks, including: (i) potential disruption of its ongoing business; (ii) distraction of management; (iii)

increased financial leverage; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully, or at all, or may take longer to realize than expected; (v) increased scope and complexity of its operations; and (vi) loss or reduction of control over certain of its assets.

The presence of one or more material liabilities and/or commitments of an acquired company that are unknown to Cloud Nine at the time of acquisition could have a material adverse effect on its business, financial condition and operations. A strategic transaction may result in a significant change in the nature of Cloud Nine's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into its existing operations.

COVID-19 Pandemic and Other Global Pandemics and Events

Cloud Nine's business, results of operations and financial position may be affected by the COVID-19 pandemic. The efforts to contain it have negatively impacted the global economy, disrupted manufacturing operations as well as global supply chains and created significant volatility and disruption of financial markets. Businesses in many countries around the globe, including Canada, the United States and other countries have been required to close, or materially alter their day-to-day operations due to government-ordered or recommended shut-downs or equivalent restrictions on individuals and businesses, which may prevent many businesses from operating. A pandemic poses the risk that the Company's employees and partners may be prevented from conducting business activities for an indefinite period due to the transmission of the disease or due to emergency measures or restrictions that may be requested by governmental authorities. These emergency measures and restrictions, and future measures and restrictions taken in response to the COVID-19 pandemic or other pandemics, have caused and may cause, material disruptions to businesses globally. The COVID-19 pandemic may affect the financial viability of Cloud Nine's partners and customers, and could cause them to exit certain business lines, or change the terms on which they are willing to purchase the Company's products and solutions. Further, the impact of the COVID-19 pandemic has resulted in a significant reduction in global advertising expenditures for many brands. The duration of the recovery period is uncertain, and it is challenging to accurately forecast spending recovery and regional and category growth over the coming quarters, which may impact the Company's revenue projections. Any of these events could cause or contribute to risk and uncertainty and could adversely affect Cloud Nine's business, results of operations and financial position.

DIVIDENDS

Cloud Nine has not declared nor paid any cash dividends on any of its issued Common Shares since its inception. The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future. Other than requirements imposed under applicable corporate law, there are no other restrictions on Cloud Nine's ability to pay dividends under the Company's constating documents. Subject to the BCBCA, payment of any dividends, if any, will be at the discretion of the Board after taking into account many factors, including operating results, financial condition, and current and anticipated cash needs. All of the Common Shares will be entitled to an equal share in any dividends declared and paid on a per share basis.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares without par value and without special rights or restrictions. As of the date of this AIF, 51,337,320 Common Shares are issued and outstanding, 710,000 stock options are outstanding, each exercisable for one Common Share, 10,064,528 warrants are outstanding, each exercisable for one Common Share and \$855,500 principal amount of convertible debentures are outstanding which are convertible into 14,258,333 Common Shares. See "Market for Securities" for more information.

Each Common Share carries the right to attend and vote at all general meetings of shareholders. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available for the payment of dividends and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares of Cloud Nine are listed and posted for trading on the CSE under the symbol "CNI". The following table describes the price range and trading volume of the Common Shares, for the periods indicated:

Month	High (\$)	Low (\$)	Volume Traded
October 2019	0.22	0.07	365,536
November 2019	0.29	0.18	513,758
December 2019	0.18	0.065	421,002
January 2020	0.15	0.055	469,277
February 2020	0.15	0.075	515,541
March 2020	0.09	0.07	271,100
April 2020	0.10	0.06	82,758
May 2020	0.12	0.07	226,360
June 2020	0.10	0.07	30,600
July 2020	0.15	0.06	462,340
August 2020	0.08	0.075	6,110
September 2020	0.08	0.065	33,193
October 2020	0.08	0.06	26,000
November 2020	0.08	0.06	82,855

December 2020	0.08	0.06	2,397,248
January 2021	0.64	0.055	7,609,940
February 2021	2.28	0.51	10,285,497
March 2021	2.60	1.28	10,110,373
April 2021	2.47	1.45	12,541,912
May 2021	1.89	0.67	7,959,529
June 2021	0.97	0.61	6,768,162
July 1 – July 16, 2021	0.74	0.51	2,707,521

Prior Sales

The following table sets forth Cloud Nine's outstanding securities convertible into Common Shares that are not listed or quoted on a marketplace, that were issued during the financial year ended September 30, 2020:

Date of Issuance	Number of Securities Issued or Granted	Type of Security	Issue/Exercise Price Per Security (\$)
October 25, 2019	720,000 ⁽²⁾	Stock options ⁽¹⁾	0.12

Notes:

- (1) Stock options granted to directors, officers, employees and consultants pursuant to Cloud Nine's Stock Option Plan.
- (2) Of these options, 120,000 remain outstanding as of the date of this AIF.

The following table sets forth Cloud Nine's securities convertible into Common Shares that are not listed or quoted on a marketplace, that were issued subsequent to the financial year ended September 30, 2020:

Date of Issuance	Number of Securities Issued or Granted	Type of Security	Issue/Exercise Price Per Security (\$)
January 18, 2021	19,993,333 ⁽¹⁾	Convertible Debentures	\$0.06
February 2, 2021	3,158,441 ⁽²⁾⁽⁵⁾	Warrants	\$0.75
February 5, 2021	1,613,009 ⁽²⁾⁽⁵⁾	Warrants	\$0.75
February 8, 2021	200,000 ⁽²⁾	Stock options ⁽⁴⁾	\$1.08
February 19, 2021	1,660,000 ⁽²⁾	Warrants	\$0.07
March 17, 2021	2,600,000 ⁽³⁾	Warrants	\$0.07
May 3, 2021	40,000 ⁽²⁾	Stock options ⁽⁴⁾	\$1.79
May 6, 2021	475,000 ⁽²⁾	Warrants	\$0.07
May 11, 2021	100,000 ⁽²⁾	Stock options ⁽⁴⁾	\$1.75
May 12, 2021	466,827 ⁽²⁾⁽⁶⁾	Warrants	\$1.75
May 14, 2021	91,250 ⁽²⁾⁽⁶⁾	Warrants	\$1.75
June 24, 2021	1,000,000	Warrants	\$0.07

Notes:

- (1) The Company issued convertible debentures in the principal amount of \$1,199,600, which were convertible into 19,993,333 Common Shares at a conversion price of \$0.06 per Common Share. As of the date of this AIF, \$915,500 principal amount of the debentures are outstanding and convertible into 15,258,333 Common Shares.
- (2) All of these securities remain outstanding as of the date of this AIF.
- (3) Of these warrants, 1,600,000 remain outstanding as of the date of this AIF.
- (4) Stock options granted to directors, officers employees and consultants pursuant to Cloud Nine's Stock Options Plan.
- (5) On February 2, 2021, the Company closed the first tranche of a non-brokered private placement issuing 6,235,666 units at a price of \$0.30 per unit for gross proceeds of \$1,870,700. Each unit consisted of one Common Share and one-half of one transferable Common Share purchase warrant of the Company. Each whole warrant is exercisable into one Common Share at a price of \$0.75 per Common Share for a period of one year from the date of issuance. 40,608 non-transferable finder's warrants were issued in connection with the first tranche and are exercisable on the same terms as the warrants issued under the private placement. On February 5, 2021, the Company closed the second tranche of the non-brokered private placement, issuing 3,211,641 units for gross proceeds of \$963,492. 7,188 non-transferable finder's warrants were issued in connection with the second tranche and are exercisable on the same terms as the warrants issued under the private placement.
- (6) On May 12, 2021, the Company closed the first tranche of a non-brokered private placement, issuing 933,655 units at a price of \$1.37 per unit, for gross proceeds of \$1,279,107. Each unit consisted of one Common Share and one-half of one transferable Common Share purchase warrant of the Company. Each whole warrant is exercisable into one Common Share at a price of \$1.75 per Common Share for a period of 12 months from the date of issuance, subject to accelerated expiry if the Common Shares have a closing price on the CSE of greater than \$2.50 for ten consecutive trading days. On May 14, 2021, the Company closed the second tranche of the non-brokered private placement, issuing 182,500 units for gross proceeds of \$250,025.

**ESCROWED SECURITIES AND SECURITIES SUBJECT TO
CONTRACTUAL RESTRICTION ON TRANSFER**

As of the date of this AIF, none of the securities of the Company are held in escrow or subject to contractual restrictions on transfer.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Securityholding

The table below sets forth certain summary information in respect of the directors and executive officers of the Company as of the date of this AIF. The directors of the Company are elected at each annual general meeting of shareholders and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's articles or until such director's earlier death, resignation or removal.

Name, Province, and Country of Residence	Current Positions and Offices Held	Principal Occupations for the Preceding Five Years	Director or Officer Since	Number and Percentage of Voting Securities⁽¹⁾
Allan Larmour <i>British Columbia, Canada</i>	CEO and Director	Strategic business planning and investment consultant since 2009; CEO of Norsemont Mining Inc. since June 2017; CFO of Norsemont Mining Inc. from June 2017 to April 2018.	July 2017	568,974 – 1.11%
Sefton Fincham <i>British Columbia, Canada</i>	President	President of Cloud Nine; Film Producer of Look to the Sky Films since 2013.	April 2021	265,200 – 0.52%
Nilda Rivera <i>British Columbia, Canada</i>	CFO and Corporate Secretary	CFO and Corporate Secretary of Cloud Nine; Consultant (Accounting and Finance) from November 2019 to February 2021; CFO and Corporate Secretary of Fiore Cannabis Ltd. from March 2019 to November 2019; Vice-President of Finance of Aurora Cannabis Inc. from July 2017 to February 2019; Controller of Aurora Cannabis Inc. from August 2015 to July 2017; Corporate Secretary of Aurora Cannabis Inc. from August 2015 to February 2019.	February 2021	150,000 – 0.29%
Dalton Larson ⁽²⁾⁽³⁾ <i>British Columbia, Canada</i>	Director	Lawyer/Arbitrator with The Arbitrators Group since 1980; President of Dalton L. Larson Inc.	April 2015	323,750 – 0.63%
Kulwant Sandher ⁽²⁾⁽³⁾ <i>British Columbia, Canada</i>	Director	President and owner of Hurricane Corporate Services Ltd. since 2006; CFO of Norsemont Mining Inc. since April 2018; CFO of Vision Marine Technologies, Inc. since July 2018; CFO of Tevva Motors Ltd. since November 2020; CFO of Indrocorp Inc. since October 2020; CFO, Corporate Secretary and Director of Aoro Capital Corp since May 2012; CFO of Avarone Metals Inc. since July 2018; CFO of Cloud Nine Web3 Technologies Inc. from July 2019 to February 2021; Director & CFO of Delta Oil & Gas from October 2008 to August 2016; CFO of	December 2015	252,000 – 0.49%

		Intigold Mines Ltd. from December 2011 to April 2017; CFO of Electrameccanica Vehicles Corp from July 2016 to November 2018; CFO of Alba Minerals from June 2017 to April 2018; CFO of Astorius Resources from June 2017 – April 2018.		
Peter Lee <i>British Columbia, Canada</i>	Director	CEO of Cloud Nine College since July 2019; CFO and Director of Specialty Liquid Transportation Corp. from July 2017 to October 2018; CFO of Cloud Nine from May 2014 to July 2019.	July 2019	20,000 – 0.04%
Kant Trivedi ⁽²⁾ <i>British Columbia, Canada</i>	Director	President and Chief Operating Officer of Blockfusion Technologies Inc. since 2017.	February 2021	290,000 – 0.56%

Notes:

- (1) The information as to shares beneficially owned, directly or indirectly, or over which control or discretion is exercised, is based on information furnished to the Company by the respective directors and officers as of the date of this AIF and calculated using [51,337,320] total Common Shares issued and outstanding.
- (2) Member of Audit Committee.
- (3) Member of Governance and Compensation Committee.

As of the date of the AIF, directors and officers of the Company as a group, beneficially owned, directly or indirectly, or exercised control or direction over approximately 1,869,924 Common Shares, representing approximately 3.64% of the issued and outstanding Common Shares as of the date of this AIF.

Biographies

Allan Larmour, CEO and Director

Mr. Larmour was the founder of Mobidia Technology, Inc., a mobile measurement and analytics provider. He has extensive experience in Fortune 500 and start-up technology companies including positions in international sales and executive management. Over the past decade, Mr. Larmour managed and raised capital for both public and private companies with three successful exits. In addition, his consulting practice that specialized in strategic business planning and go to market strategies assisted many start-up companies to quickly expand in their markets. Mr. Larmour holds a Bachelor of Commerce degree from the University of British Columbia.

Sefton Fincham, President

Mr. Fincham is the founder of Look to the Sky Films and Thirty Six Financial Group, an investment firm focused on small-cap and special situation investing. Under his leadership, Thirty Six Financial

Group successfully raised and deployed over \$100 million into the small cap space over the past few years, which were primarily focused on earlier staged companies with a go public strategy. These strategic investments have been into select private and public companies at the forefront of innovation in the technology, health, education and clean energy sectors. Through Look to the Sky Films, Fincham worked with Hollywood notables and done several significant deals with companies in the entertainment space.

Nilda Rivera, CFO and Corporate Secretary

Ms. Rivera has over 20 years of experience in corporate and operational finance and managed publicly listed companies in the areas of accounting, finance, regulatory compliance and corporate governance. She was involved in IPOs, RTOs and mergers and acquisitions in several industries including cannabis, hemp, resource and technology, and assisted various start-up companies in achieving public listings on the CSE, TSXV and OTC, and their uplisting to the TSX and NYSE. Prior to joining Cloud Nine, Ms. Rivera served as Vice President of Finance and Corporate Secretary at Aurora Cannabis Inc. (ACB) where she was instrumental in building its finance team and involved in completing its early equity and debt financings and its uplisting to the TSX and NYSE. She has also served as CFO, Corporate Secretary and a director for several public mining and exploration companies.

Dalton Larson, Chairman and Director

Mr. Larson is a former partner of a major Vancouver Law firm, now McMillan LLP and currently maintains a private practice along with a successful investment business. As an expert in alternate dispute resolution, Dalton has extensive experience as a professional arbitrator and mediator. He holds a master's degree in law from the University of London, England and has served more than 25 years as a director of several investment funds managed by the CW Funds group of companies, affiliated with Ventures West Management Inc., which was one of the largest venture capital firms in Canada. He cofounded First Coal Corporation and helped raise \$65 million in equity to finance its development activities. First Coal was sold to Xstrata Coal for \$153 million. He is currently a director of several public and private companies.

Kulwant Sandher, Director

Mr. Sandher is a Chartered Professional Accountant with over 25 years of experience in business and finance. He is currently President of Hurricane Corporate Services Ltd., a private consulting firm providing accounting and finance services. He is a member of the Canadian Institute of Chartered Accountants and a member of the Institute of Chartered Accountants in England & Wales. Mr. Sandher has considerable public company experience and serves as a director and CFO for various public and private companies.

Peter Lee, Director

Peter Lee is a Chartered Professional Accountant with several years of experience in both public practice and industry experience with specific expertise in financial reporting, management and corporate finance. He has been involved with diverse business start-ups and has experience with day-to-day management as well as operations. He earned his B.Sc. (double major in Biochemistry

and Chemistry) at the University of British Columbia and obtained his Chartered Accountant designation while articling at PricewaterhouseCoopers LLP, Vancouver in 2006. Mr. Lee is currently CEO of Cloud Nine College and CFO and a director of Atoro Capital Corp.

Kant Trivedi, Director

Mr. Trivedi has over 20 years of experience building and managing world-class customer operations within the technology, telecommunications, financial services and blockchain sectors. He is a director and co-founder of Blockfusion Technologies Inc., a technology company building the world's largest blockchain and AI infrastructure. Mr. Trivedi was Chief Operating Officer & Managing Director (Partner) at Greenwich Associates, a consulting firm that works with over 260 of the largest banks and Fintech firms globally, which he successfully led to an exit. He also held senior leadership positions with Rogers Communications Inc. where he led the award-winning team accountable for all B2B customer touch points across all market segments and supporting \$1.5B in revenue. Prior to Rogers, he was General Manager at Look Communications Inc. and was accountable for the operations and technology teams, supporting its growth from a market capitalization of \$20 million to \$1.5 billion. Mr. Trivedi holds an MBA from Queen's University. He currently sits on the board of several public companies.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Except as disclosed herein, to the knowledge of the Company, no director or executive officer of the Company, is, as of the date of this AIF, or was within 10 years before the date of this AIF, a director, CEO or CFO of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO, or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Mr. Larmour was a director of EmerGeo Solutions Worldwide Inc. ("**EmerGeo**") when it became the subject of a cease trade order issued by the British Columbia Securities Commission dated August 7, 2013, for its failure to file a comparative financial statement for the financial year ended March 31, 2013, and a management's discussion and analysis for the period ended March 31, 2013. On November 6, 2013, EmerGeo became the subject of a cease trade order issued by the Alberta Securities Commission for its failure to file annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended March 31, 2013, and interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim period ended June 30, 2013. As of the

date of this AIF, both cease trade orders remain in effect.

Bankruptcies

Except as disclosed herein, to the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Larmour was a director of EmerGeo Solutions Inc., a subsidiary of EmerGeo incorporated on July 2, 2002, and in the business of providing emergency and crisis management software and services, when it filed an Assignment in Bankruptcy on February 16, 2012. The assets of EmerGeo Solutions Inc. were subsequently sold and recovered amounts paid to creditors.

Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security's regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies, or are engaged in or may engage in other activities in the industries in which the Company operates and, as a result of these and other activities, the directors and officers of the Company may become subject to conflicts of interest.

To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

PROMOTERS

No person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

To the knowledge of the Company, there were no material legal proceedings that the Company is or was a party to, or that any of its property is or was subject of, during the year ended September 30, 2020, and from October 1, 2020, to the date of this AIF.

Regulatory Actions

There have not been any:

- (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the year ended September 30, 2020, and from October 1, 2020, to the date of this AIF;
- (b) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely to be considered important to a reasonable investor in making an investment decision; and
- (c) settlement agreements that the Company entered into before a court relating to securities legislation or with a securities regulatory authority during the year ended September 30, 2020, and from October 1, 2020, to the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this AIF, no director or executive officer of the Company, or shareholder holding more than 10% of the Common Shares, or any known associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The Company's Registrar and Transfer Agent is Odyssey Trust Company, located at 323 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

MATERIAL CONTRACTS

Cloud Nine has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than the following:

- Definitive Share Purchase Agreement dated July 19, 2018, between BHR and 1166338. Pursuant to the agreement, 1166338 acquired all of the issued and outstanding shares of Cloud Nine College, a wholly-owned subsidiary of BHR, for a total consideration of \$750,000. See “*General Development of the Business – Three Year History*”.
- Asset Purchase Agreement between Cloud Nine and Victory Square dated March 15, 2021, pursuant to which Cloud Nine purchased the IP Assets from Victory Square. See “*General Development of the Business – Three Year History - Events subsequent to the financial year ended September 30, 2020*”.
- SPA between Cloud Nine and Next Decentrum dated June 25, 2021. See “*General Development of the Business – Three Year History - Events subsequent to the financial year ended September 30, 2020*”.

INTEREST OF EXPERTS

Names of Experts

The following are the persons or companies who were named as having prepared or certified a report, valuation, statement, or opinion in this AIF, either directly or in a document incorporated by reference and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

Smythe LLP, the Company’s independent auditors, have prepared an independent audit report dated January 28, 2021, in respect of the Company’s audited consolidated financial statements for the years ended September 30, 2020 and 2019.

Interests of Experts

Smythe LLP, auditors of the Company, have confirmed that they are independent of the Company within the meaning of the ‘Rules of Professional Conduct’ of the Chartered Professional Accountants of British Columbia. There is no interest, directly or indirectly, in any securities or property of the Company, or of an Associate or Affiliate of the Company, received or to be received by an expert.

AUDIT COMMITTEE

The Audit Committee is a standing committee of the Board of Directors, the primary function of which is to assist the Board of Directors in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company’s financial statements and the independence and performance of the Company’s external auditor, acting as a liaison between the

Board of Directors and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

Audit Committee Charter

The text of the Company's Audit Committee Charter is attached hereto as Schedule A to this AIF.

Composition of Audit Committee

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

As of the date of this AIF, the members of the Audit Committee are Kulwant Sandher (Chair), Dalton Larson and Kant Trivedi.

Kulwant Sandher was the CFO of the Company and did not resign from that position until the current financial year; therefore, he is not considered independent. Dalton Larson and Kant Trivedi are not executive officers or employees of the Company and, therefore, are considered independent members of the Audit Committee.

All members of the audit committee are considered to be financially literate. All of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

All of the Audit Committee members are senior level business people with experience in financial matters. Each has an understanding of accounting principles used by the Company to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Each member also has an understanding of the education technology business in which the Company is engaged in and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company's financial disclosures and internal control systems. In addition, each of the members of the Audit Committee have knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors or officers of public companies other than the Company.

For additional details regarding the relevant education and experience of each member of the Audit Committee, see the relevant biographical experiences for each of the directors under the heading “*Directors and Officers*”.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Smythe LLP for the financial year ended September 30, 2020.

Reliance on Certain Exemptions

At no time has the Company relied on an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, other than as set out in the audit committee charter.

External Auditor Service Fees (By Category)

The Audit Committee has reviewed the nature and amount of the audit services provided by Smythe LLP to the Company to ensure auditor independence. The aggregate fees billed by the Company’s external auditor during the financial years ended September 30, 2020 and September 30, 2019, are as follows:

Financial Period Ending	Audit Fees (\$)⁽¹⁾	Audit Related Fees (\$)⁽²⁾	Tax Fees (\$)⁽³⁾	All Other Fees (\$)⁽⁴⁾
2020	22,300	-	2,500	-
2019	23,810	-	2,000	-

Notes:

- (1) “Audit Fees” relate to professional services rendered for audits of annual financial statements and reviews of interim financial statements of the Company.
- (2) “Audit-Related Fees” relate to assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements that are not included under the heading “Audit Fees”.
- (3) “Tax Fees” relate to fees for tax compliance, tax planning, tax structuring and tax advice.
- (4) “All Other Fees” refer to fees for products and services other than as set out under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”.

ADDITIONAL INFORMATION

Additional information relating to the Company, including financial information in the Company's audited consolidated financial statements and management's discussion and analysis for the year ended September 30, 2020, is available on SEDAR at www.sedar.com under the Company's profile.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's information circular for its most recent annual meeting of securityholders.

SCHEDULE A
AUDIT COMMITTEE CHARTER

CLOUD NINE WEB3 TECHNOLOGIES INC.

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financial Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (b) *Notice to Auditors.* The Company's auditors (the "**Auditors**") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.
- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- (d) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) *Responsibility for Oversight.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

- (c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereon.
- (d) *Litigation.* Review with the Auditor and legal counsel and litigation, claims, or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

- (a) *Accounting, Auditing and Internal Controls.* The audit Committee must establish a procedure for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal controls and auditing matters.
- (b) *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

3. Authority

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) *Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain, the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

4. Reporting

The Audit Committee will report to the board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other matters dealt with by the Audit Committee.