



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
AND
INFORMATION CIRCULAR**

**To be held on
May 3, 2023**

Dated: March 24, 2023



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the **Annual General and Special Meeting** (the “**Meeting**”) of **CLOUD NINE WEB3 TECHNOLOGIES INC.** (the “**Company**”) will be held at Suite 610 – 700 West Pender Street, Vancouver, British Columbia, on **May 3, 2023**, at **10.00 a.m.** (PST) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended September 30, 2022 and 2021, together with the auditors’ reports thereon;
2. to fix the number of directors at four (4);
3. to elect directors for the ensuing year;
4. to appoint WDM Chartered Professional Accountants as the Company’s auditor for the ensuing year, and to authorize the directors to fix their remuneration;
5. to consider and, if thought fit, to pass, with or without modification, an ordinary resolution to approve a change of the Company’s business to a technology issuer focused on developing and offering peer-to-peer or decentralized infrastructure products including its technology enabled virtual private network (“**VPN**”) that will monetize its products by allowing third parties to use the hash rate of the VPN’s userbase to mine cryptocurrencies as further described in the Information Circular under the heading “*Change of Business – Description of Proposed Business*”; and
6. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The accompanying management information circular (the “**Information Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice are the (i) Form of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of record at the close of business on **March 24, 2023**, will be entitled to receive notice of and vote at the Meeting. Shareholders are entitled to vote at the Meeting either in person or by proxy. Each common share is entitled to one vote.

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.

DATED at Vancouver, British Columbia, this 24th day of March, 2023.

BY ORDER OF THE BOARD OF DIRECTORS,

(signed) “*Lucas Russell*”

Lucas Russell
Chief Executive Officer



Suite 610, 700 West Pender Street
Vancouver, British Columbia, V6C 1G8
Tel: 1-833-394-7716

MANAGEMENT INFORMATION CIRCULAR

The information contained in this Management Information Circular, unless otherwise indicated, is as of **March 24, 2023**.

This Information Circular is being mailed by the management of Cloud Nine Web3 Technologies Inc. (the “Company” or “Cloud Nine”) to shareholders of record at the close of business on March 24, 2023, which is the date that has been fixed by the directors of the Company as the record date (the “Record Date”) to determine the shareholders who are entitled to receive notice of the meeting. The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of the Company for use at its Annual General and Special Meeting (the “**Meeting**”) of the shareholders that is to be held on **May 3, 2023** at 10:00 a.m. (PST) at Suite 610 -700 West Pender Street, Vancouver, British Columbia V6C 1G8.

SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone or in person. All costs of solicitation by management will be borne by the Company. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

QUORUM

Under Cloud Nine’s Articles, the quorum for the transaction of business at a Meeting of shareholder is one shareholder present in person (or, being a corporation, partnership, trust or other non-individual legal entity represented in accordance with the provisions of the *Business Corporations Act* (British Columbia), or by proxy holding not less than one voting share of the Company entitled to be voted at the Meeting.

NOTICE AND ACCESS

The Company has elected to use the notice and access (“**Notice and Access**”) provisions under National Instrument 54-101 (“**NI 54-101**”) *Communication with Beneficial Owners of Securities of a Reporting Issuer*, of the Canadian Securities Administrators, for the delivery to non-registered shareholders of the Company (“**Beneficial Shareholders**”) of its Notice of Meeting and Information Circular (the “**Meeting Materials**”) for its Annual General and Special Meeting to be held on May 3, 2023.

Under the provisions of Notice and Access, Beneficial Shareholders will receive a notice (“**Notice and Access Notice**”) containing information on how they can access the Meeting Materials electronically instead of receiving a printed copy or how to receive a printed copy of the Meeting Materials. Together with the Notice and Access Notice, Beneficial Shareholders will receive a Voting Instruction Form (“**VIF**”), enabling them to vote at the Meeting. The Meeting Materials for the Meeting will be posted on the Company’s website at cloud9web3.com/investors as of April 3, 2023, and will remain on the website for one year. The Meeting Materials will also be available on the Company’s SEDAR corporate profile at www.sedar.com as of April 3, 2023.

The Company has elected to use the Notice and Access for the Meeting in respect of mailings to its Beneficial Shareholders but not in respect of mailings to its registered shareholders. Registered shareholders will receive a paper copy of the Meeting Materials and a Form of Proxy.

SECTION 1 - VOTING

WHO CAN VOTE?

If you are a registered shareholder of the Company as at March 24, 2023, you are entitled to notice of and to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer's authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see "**Voting by Proxy**" below). If your shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer, financial institution or other intermediary) you should refer to the section entitled "**Non-Registered Shareholders**" set out below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

VOTING BY PROXY

If you do not come to the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

In order to be valid, you must return the completed form of proxy to the Company's transfer agent, Odyssey Trust, 350-409 Granville Street, Attention: Proxy Department, or by fax within North America at 1-800-517-4553, or by email at proxy@odysseytrust.com not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time fixed for the Meeting or any adjournments thereof.

What is a Proxy?

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

Appointing a Proxyholder

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder (the "**Management Proxyholders**"). Those persons are directors, officers or other authorized representatives of the Company.

Instructing Your Proxy

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares IN FAVOR of each of the items of business being considered at the Meeting.

For more information about these matters, see Section 3 - The Business of the Meeting. **The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.** At the time of printing this Information Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Changing Your Mind

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at Suite 610, 700 West Pender Street, Vancouver, British Columbia V6C 1G8 or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 4:00 p.m. in the afternoon (PST) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person. **Only registered shareholders may revoke a proxy. If your shares are not registered in your own name and you wish to change your vote, you must arrange for your nominee to revoke your proxy on your behalf (see below under “Non-Registered Shareholders”).**

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Odyssey Trust, 350-409 Granville Street, Attention: Proxy Department, or by fax within North America at 1-800-517-4553, or by email at proxy@odysseytrust.com.

In all cases, the proxy must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

NON-REGISTERED SHAREHOLDERS

Only registered holders of common shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, common shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an Intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; OR
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

Pursuant to NI 54-101, the Company has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly or directly to the NOBOs and to the Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary's directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of common shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare as described under "**Voting by Proxy**" above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the common shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or proxy form is to be delivered.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the "**Act**"), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

SECTION 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value. As at the close of business on the Record Date being **March 24, 2023, 68,685,153** common shares were issued and outstanding. Each shareholder entitled to receive notice of and to vote at the Meeting is entitled to one vote for each common share registered in his or her name at the close of business on **March 24, 2023**.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more

corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the Company's transfer agent and will be available at the Meeting.

To the best knowledge of the Company's directors or executive officers, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company as at **March 24, 2023**.

SECTION 3 - THE BUSINESS OF THE MEETING

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial year ended **September 30, 2022** and for the financial year ended **September 30, 2021** will be placed before you at the Meeting. They have been mailed to the shareholders who have requested they receive a copy of same together with the Notice of Meeting and this Information Circular. These audited consolidated financial statements are available under the Company's profile at the Canadian System for Electronic Document Analysis and Retrieval (www.sedar.com) and on the Company's website at www.cloud9web3.com/investors.

No approval or other action needs to be taken at the Meeting in respect of these documents.

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and NI 54-101 of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Financial Statement Request Form attached to this Information Circular and send it to the Company.

ELECTION OF DIRECTORS

Fix Number of Directors

Under the Company's Articles and pursuant to the *Business Corporations Act* (British Columbia), the number of directors may be set by ordinary resolution but shall not be fewer than three. The Company currently has **four (4)** directors. All of the current directors are being put forward by management of the Company for election at the Meeting.

The Company's management recommends that the shareholders vote in favor of the resolution setting the number of directors at four (4). Unless you give other instructions, the Management Proxyholders intend to vote FOR the resolution setting the number of directors at four (4).

Nominees for Election

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time.

The following table sets out, as at the Record Date, (a) the names of management's nominees for election as directors of the Company and their residency; (b) all offices in the Company each nominee now holds; (c) each nominee's principal occupation, business or employment; (d) the period of time during which each nominee has been a director of the Company, if applicable; and (e) the current equity ownership consisting of Common Shares ("Shares"), stock options ("Options"), restricted share units ("RSUs") and common share purchase warrants ("Warrants") that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee as at Record Date.

Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

| Name and place of residence ⁽¹⁾ | Principal occupation for the past five years ⁽¹⁾ | Director since | Equity Ownership ⁽²⁾ |
|--|---|----------------|--|
| Allan Larmour ⁽³⁾⁽⁴⁾ White Rock, British Columbia Director | Strategic business planning and investment consultant since 2009; Prior to 2009 Mr. Larmour was a regional Manager for a multinational computer company; was a VP of Sales & Marketing and partner for a telecommunications billing & customer care software platform that was sold to a US company; and the CEO of a mobile software platform company that was sold to another US company; World VP of Sales & Marketing of Eight Solutions Inc. that developed and marketed a data mining platform; CEO of Gama Explorations Inc. since April 2022; CEO of Norsemont Mining Inc. from June 2017 to September 2020; CFO of Norsemont Mining Inc. from June 2017 to April 2018. Director and President of Cannogen International Inc. from June 7, 2021 and CEO of Cannogen International Inc. from August 19, 2021, a BCBCA health products company that has filed a preliminary prospectus with the BCSC. | July 7, 2017 | 568,974 shares 25,000 RSU 175,00 options |

| Name and place of residence ⁽¹⁾ | Principal occupation for the past five years ⁽¹⁾ | Director since | Equity Ownership ⁽²⁾ |
|---|---|---------------------|---|
| John Bean ⁽³⁾⁽⁴⁾ West Vancouver, British Columbia Director | CFO of Western Canadian Properties Group from February 2014 to February 2022, a real estate and property development company; CFO of Cullinan Metals Corp. from June 9, 2022 to present; CFO of Allied Plumbing Heating & Air Conditioning Ltd. from October 26, 2022 to present. | August 29, 2022 | 72,500 shares 37,500 RSU 150,000 options |
| Kant Trivedi ⁽³⁾⁽⁴⁾ Nobleton, Ontario <i>Director</i> | President and Chief Operating Officer of Blockfusion Technologies Inc. since 2017, a private digital asset company that operates crypto mining data centers powered by renewable energy. | February 9, 2021 | 315,000 shares 25,000 RSU 100,000 options |
| Anthony Zelen Coldstream, British Columbia <i>Director</i> | President of Zelen Consulting Inc., a private company wholly-owned by Mr. Zelen which provides capital markets advisory services to public and private companies; and a senior officer and director of various public and private companies. | July 20, 2022 | 55,500 shares 37,500 RSU 200,000 options |

Notes:

- (1) Information as to the residency and principal occupation or employment has been provided by the respective directors.
- (2) Information as to shares beneficially owned, not being within our knowledge has been furnished by the respective person, has been extracted from the list of registered shareholders maintained by the Company's transfer agent, has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders (www.sedi.ca) or, has been obtained from early warning report and alternative monthly reports filed by the respective person and available through the internet at the Canadian System for Electronic Document Analysis and Retrieval (www.sedar.com).
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.

The Company's management recommends that the shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the nominees named in this Information Circular.

APPOINTMENT OF THE AUDITOR

The Company proposes to change its auditor from Smythe LLP, Chartered Professional Accountants, to WDM Chartered Professional Accountants effective October 20, 2022. Smythe LLP resigned as auditor of the Company effective October 20, 2022, and WDM was appointed as auditor of the Company effective October 25, 2022.

As indicated in the Notice of Change of Auditor dated November 1, 2022, attached hereto as Schedule "B" to this Information Circular, there were no reportable events as the term is defined in Part 4.11 of National Instrument 51-102 and there were no modifications of opinion contained in the reports of Smythe LLP on the Company's financial statements relating to the "relevant period" as such term is defined in Part 4.11 of National Instrument 51-102.

Included with this information circular is a Notice of Change of Auditor - Reporting Package under Schedule "B", which consists of (a) the Notice of Change of Auditors, (b) letter from the successor auditors, and (c) letter from the former auditors.

The Company's management recommends that the shareholders vote in favor of the appointment of appointing WDM Chartered Professional Accountants as the Company's auditor for the ensuing year and grant the Board of directors the authority to determine the remuneration to be paid to the auditor. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the appointment of WDM Chartered Professional Accountants to act as the Company's auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of directors to fix the remuneration to be paid to the auditor.

CHANGE OF BUSINESS

The Company proposes to change its business from an education technology issuer to a technology issuer focused on developing and offering peer-to-peer or decentralized infrastructure products including its technology enabled virtual private network ("**VPN**") that will monetize its products by allowing third parties to use the hash rate of the VPN's userbase to mine cryptocurrencies (the "**Change of Business**").

In conjunction with the Change of Business, the Company intends to effect a name change to "Anonymous Intelligence Company" or such other name as the directors in their sole discretion may determine. Pursuant to the Articles of the Company, the board of directors may effect a name change without shareholder approval. Final determination of the name change will be subject to CSE approval.

The Change of Business will only be permitted after the Company receives shareholder approval at the Meeting, the Canadian Securities Exchange (the "**CSE**") issues conditional approval for the Change of Business, and the Company satisfies each and every such condition for CSE approval. At the time of mailing this Information Circular, the CSE has not approved or issued conditional approval of the Change of Business. As a result, there is a risk that the information concerning the Change of Business may change and a further risk that the CSE may not approve of the Change of Business on the terms described in this Information Circular or at all.

PROPOSED DESCRIPTION OF BUSINESS

Following the Change of Business, the Company will be a technology enabled virtual private network (the "**Limitless VPN**") provider focused on developing and offering peer-to-peer or decentralized infrastructure products. The Company's current sole product is the Limitless VPN (described in detail under *Product* below) which is currently functional and offered to the public.

The Company currently offers the Limitless VPN product to the public without charge. Users who wish to use the Limitless VPN product are required to agree to the Company's terms of use and privacy policies as described below under the headings "Privacy Policy", "Terms of Use – Generally" and "Terms of Use – Limitless VPN". Users receive the benefit of secure and encrypted connection to the internet provided by the Limitless VPN in exchange for the Company being able to access and use the user's unused computing power (see *Limitless VPN – Background* below).

The Company does not mine cryptocurrencies but intends to monetize its Limitless VPN product by allowing third parties to use the unused computing processing power of the users of the Limitless VPN for the purpose of mining crypto assets (the "**Hash Rate**") of its userbase to mine cryptocurrencies (see *Monetization of Limitless VPN* below). The Company is in the pre-revenue phase as business efforts to date have focused on growing the Company's userbase to generate a sufficient Hash Rate for cryptocurrency mining operations. The Company is not acting and will not act as an exchange, is not offering and will not offer coins or tokens, nor is it acting nor will it act as a platform that facilitates the trading of crypto assets that are securities or instruments or contracts involving crypto assets. As of the date hereof, the Company has 31,078 active registered users of the Company's Limitless VPN. The Company considers active registered users as those persons who provide the Company with full time access to their hardware at a sufficient Hash Rate to generate operations. Those users who do not provide full time access or who have outdated or legacy hardware are not considered active registered users by the Company.

The decentralized web is a concept that proposes the reorganization of the internet in order to remove centralized data hosting services by instead using peer-to-peer infrastructure. Currently, a relatively small

number of corporations control a disproportionate amount of online functioning, including control over personal data and activities. In a decentralized ecosystem, proponents believe that content creators and users will have more power, control and revenue channels. While the concept of the decentralized web is in its infancy, proponents like the Company are pursuing their business models by offering peer-to-peer products.

Product

The Limitless VPN is a proprietary product owned by the Company and offered to users which relates to the usage of network infrastructure to perform distributed computational processing and to provide the user secure and encrypted connection to the internet. The initial version of the Limitless VPN (www.limitlessvpn.com) was released and made available to the public on September 23, 2021.

The Limitless VPN consists of a novel process for utilizing the Hash Rate that computers and mobile devices have to perform distributed computational processing within a network infrastructure while providing secure and encrypted access to the internet. When a user connects to a network infrastructure, which can be implemented either in hardware or software form, a process is used to evaluate the user's unused computational power. One potential embodiment of a hardware-implemented network infrastructure is a connection to a carrier or internet service provider's physical network.

The Company's software intelligently monitors users' computers to check on resource availability and ensure the Company's program never interferes with the main user's day to day activities. As a privacy first company, the Company currently manually checks and validates all sign ups, and is developing a secure algorithm to automate and accelerate the process. As the Company expands, it intends to add additional personnel. However, the Company has determined it does not need to do so at this time.

Limitless VPN - Background

Networks enable the average person to connect to the internet by routing the computer's connection through to network infrastructures located nearby. Historically, there has been little to no encryption and security measures in place to protect the data that is being transferred back and forth between the user's computer to the end server. This means that the connection is easily intercepted. With the evolution of internet tracking tools, random packets of user data now turn into identifiable packets of user data, tracking search history, browsing history, shopping history, communication history and any sort of data consumption. The use of identifiable user data allows big data companies, internet service providers and advertising and marketing agencies to sell and exchange a user's data in order to profit from the information.

Network infrastructures exist to protect user privacy by encrypting packets of data being transferred from the user's connection to the internet. Network infrastructures have both hardware and software implementation as users can own private physical hardware servers or use software implemented network to re-route their connection through an encrypted connection tunnel.

However, the process of setting up and running a personal network infrastructure can be technically challenging and expensive for the average user who simply does not have technical capabilities or resources to implement the solution.

In recent years, new network infrastructures have been introduced in the market to allow users to plug in a new hardware server and install hardware-specific software to activate or even simply install end user software to connect through a software implemented network with a click of a button through a software graphical user interface.

These new services and products allow users to safely connect through to the internet at a monetary cost. Others may allow for the user to use a service for free, but at the cost of losing true end to end encryption and privacy. Many of these service providers sell the data of the end user to the highest bidder or sell the bandwidth of those connected to the software implemented network or worse, allow other users of the software implemented network to share the user's internet protocol which is your identifiable digital footprint

in the network. This can mean that others can conduct activities on the internet that may be traced back to the incorrect, unsuspecting user.

All electronic devices have both a Central Processing Unit (CPU) and a Graphics Processing Unit (GPU). These two devices are central to a computer to be able to carry out the instructions of a computer program and rapidly manipulate and alter memory to create images in a frame buffer to output to a display device, respectively. As computers and mobile devices become more exponentially powerful with increased computational power, the processing power required to perform normal daily tasks have a relatively small increase in contrast to the performance increase. Thus, most end consumers do not require a majority of their processing power at any given time, leaving a large potential of underutilized pool of processing power.

Computational processing has generally been done on singular devices, servers, or enclosed networks. Distributed computational processing is the process of utilizing the computing power throughout the network infrastructure and spreading the workload through the network infrastructure, much like taking an entire puzzle and giving hundreds or thousands of computers small quadrants of the puzzle to solve. By breaking up a large problem to solve into many different quadrants, the puzzle gets solved quicker as the number of computers within the network infrastructure increases the number of solutions being attempted per second.

Cryptocurrencies are digital decentralized currency that uses cryptography as a means to create, transact and verify utilization. Each cryptocurrency has a unique method that defines each unique currency. However, a general common theme requires that the network maintain a public ledger in which new transactions are checked and verified by other members of the network via cryptography. This process is often referred to as mining due to the association of a reward in the form of newly minted cryptocurrency when a mining operation is complete, or solved. Verified transactions and newly created cryptocurrency are documented in the public ledger of each cryptocurrency. Public ledgers serve as an official record of all transactions that happened since the inception of the currency.

Cryptocurrency mining is an embodiment of the distributed computational processing. Cryptocurrency mining generally requires the utilization of physical computational hardware which is often both the CPUs and GPUs. Borrowing from the analogy of the puzzle above, these hardware components are tasked with attempting to fit every single puzzle piece to a single position and does not stop until a puzzle piece fits in that position. Then the computer moves on to the next puzzle position and tries to fit every single puzzle piece into that position, and so on and so forth until the completion of the entire puzzle. A reward is not awarded until the puzzle is complete.

Generally speaking, the average individual computer would take months, if not years, to solve a billion-piece puzzle. However, if multiple computers in a network infrastructure contributed their respective computing power, the puzzle gets solved quicker, and the user receives compensation for their contribution.

Monetization of Limitless VPN

The Company intends to monetize the Limitless VPN using NICEHASH Ltd. (“**NiceHash**”), which is arm’s-length to the Company that operates as a hash rate broker and hash rate marketplace. Under this strategy, and following the Change of Business, the Company intends to rent its Hash Rate to NiceHash in exchange for the consideration set out below. The Company intends to pursue this monetization strategy for a minimum of one year from the date of this Listing Statement. The steps involved in this process are as follows:

1. The Company creates an online account for renting hash power on NiceHash pursuant to NiceHash’s standard terms and conditions on NiceHash’s website (the “**NiceHash Account**”). The online account includes access to a digital wallet hosted by NiceHash (the “**NiceHash Wallet**”).
2. The Company connects the unused computing power of the Company’s Limitless VPN users to the NiceHash platform via an internal mining address provided by the NiceHash Account.
3. The Company sets a price for using its Hash Rate and offers the Hash Rate for rent on the NiceHash platform. The Company also determines which cryptocurrency the Hash Rate may be used to mine. Under this proposed monetization strategy, the Company would offer the Hash Rate to mine the

cryptocurrency Monero.

4. A third-party buyer on the NiceHash platform places an order for hash power to mine Monero. When making this order, the buyer also deposits an amount of cryptocurrency USD Coin with NiceHash that the buyer is willing to pay to rent the desired hash power.
5. NiceHash matches the Company's offer with a corresponding buyer's order and pays the Company in USD Coin for the rented Hash Rate. NiceHash then sends the rented Hash Rate to a pool specified by the buyer and the buyer uses the Hash Rate to mine Monero. There is a risk at this stage that no comparable orders will be available to match the Company's offer to rent the Hash Rate (see also *Risk Factors*). If there are no orders available to match the Company's offer, the offer remains outstanding until a corresponding order becomes available.
6. The USD Coin paid to the Company for use of the Hash Rate is temporarily held by NiceHash in the NiceHash Wallet.
7. Every four hours, any USD Coin held in the NiceHash Wallet is automatically transferred to a digital wallet hosted by Newton Crypto Ltd. ("**Newton**", or the "**Newton Wallet**"), which is a Canadian crypto asset trading platform. Newton is arm's-length to the Company, and to the Company's knowledge, Newton and NiceHash are arm's-length parties to each other. The Company's contractual relationship with Newton will be governed by Newton's standard terms of use available on Newton's website.
8. The Company manually converts the USD Coin received from NiceHash and held in the Newton Wallet to US dollars on the first business day of the calendar month immediately following the calendar month in which the USD Coin is deposited in the Newton Wallet. The conversion is performed as follows:
 - a. The Company manually submits a sell order on the Newton exchange platform. The sell order seeks to exchange the total amount of USD Coin held in the Newton Wallet on the conversion date for US dollars at a rate of 1:1 USD Coin to US dollar (see "*Cryptocurrencies*" for discussion of conversion rate between USD Coin and US dollar). There is a risk at this stage that the prevailing market rate for USD Coin may not be 1:1 with the US dollar (see *Risk Factors* for discussion on the risk of USD Coin losing its peg to the US dollar).
 - b. Newton matches the sell order with a corresponding buy order placed by another user on the Newton platform, and executes the transfer of USD Coin to the buyer while simultaneously transferring US dollars to the Newton Wallet. There is a risk at this stage that no comparable buy orders will be available to match the Company's sell order for USD Coin (see also *Risk Factors*). If no corresponding buy order is available to match the Company's sell order, the USD Coin will remain as USD Coin in the Newton Wallet until a corresponding buy order becomes available.
 - c. The Company manually transfers the resulting US dollars from the Newton Account to a bank account owned by the Company at a Canadian financial institution.

The Company may consider an alternative monetization strategy at a later date which involves Argent Crypto Inc. ("**Argent Crypto**"), an arm's length British Columbia based cryptocurrency consulting company that may provide services to the Company pursuant to the Argent Services Agreement dated January 20, 2022, (the "**Argent Services Agreement**"), whereby Argent Crypto agreed to provide cryptocurrency mining services to the Company, which agreement was filed on SEDAR on January 21, 2022, using the Company's Hash Rate in exchange for the consideration set out below (the "**Argent Monetization Strategy**"). Argent Crypto is a cryptocurrency consulting company and has the ability to provide cryptocurrency mining services. The Company has entered into the Argent Services Agreement with Argent Crypto in anticipation of this monetization strategy, but there are currently no services being performed under the Argent Services Agreement. If the Company opts to pursue the Argent Monetization Strategy, the procedure would be as follows:

1. Argent Crypto uses the Hash Rate to mine the cryptocurrency Monero.
2. Argent Crypto collects Monero from its mining activities (the “**Mining Proceeds**”).
3. Argent Crypto stores the Mining Proceeds in a digital wallet (the “**Kraken Wallet**”) hosted by Payward Inc., a financial services company that is arm’s-length to the Company and does business as Kraken Digital Asset Exchange (“**Kraken**”). To the Company’s knowledge, Argent Crypto and Kraken are arm’s length parties to each other. The Company has no independent agreement or contract with Kraken, and all services provided by Kraken are facilitated and authorized through Argent Crypto’s contractual arrangement with Kraken.
4. Kraken temporarily holds the Mining Proceeds in the Kraken Wallet.
5. Argent Crypto converts the Mining Proceeds into Canadian dollars on the first business day of the calendar month immediately following the calendar month in which the Mining Proceeds were collected. The conversion is performed as follows:
 - a. Argent Crypto manually submits a sell order on the Kraken exchange platform. The sell order seeks to exchange the total amount of Monero held in the Kraken Wallet on the conversion date for Canadian dollars at the prevailing market exchange rate for Monero to Canadian dollars. There is a risk at this stage that the exchange rate between Monero and the Canadian dollar is not favourable to the Company (see *Risk Factors* for discussion on risk of potential fluctuation of Monero’s price relative to Canadian dollars).
 - b. Kraken matches the sell order with a corresponding buy order placed by another user on the Kraken platform, and executes the transfer of Monero to the buyer while simultaneously transferring Canadian dollars to the Kraken Wallet. There is a risk at this stage that no comparable buy orders will be available to match Argent Crypto’s sell order for Monero (see also *Risk Factors*). If no corresponding buy order is available to match Argent Crypto’s sell order, the Mining Proceeds will remain as Monero in the Kraken Wallet until a corresponding buy order becomes available.
6. Kraken temporarily holds the Canadian dollars received from the sale of the Mining Proceeds in the Kraken Wallet.
7. Argent Crypto manually transfers, by way of wire transfer, 93% of the Canadian dollars held by Kraken to an account at a Canadian financial institution owned by the Company.

Limitless VPN Security

The Limitless VPN currently uses military grade Advanced Encryption Standard (AES) 256-bit encryption protocols and primitives to ensure secure transmission of information across the network. The Company utilizes several protocols within its framework to facilitate secure transmission. Anything stored via decentralized storage among users of the Limitless VPN is secure as data is broken down into ‘parcels’ and stored in multiple locations across the network. Nothing being stored on the user’s device can be accessed, as only a fraction of each file is stored on each system. Unpackaging and repackaging is handled via a modified CD erasure coding protocol. Furthermore, personal information and other information of the owner of the computer remains completely isolated from VPN access in the same way that occurs when one connects to the internet using industry standard practices of an internet service provider (in this case, as well, the user’s system files remain private). The Limitless VPN adds layers of security and protection against outside data breach attacks for systems who are not otherwise running additional protection software.

Custody of Cryptocurrency Assets

The following table sets out material information related to the Company’s proposed third-party custodians which may hold the Company’s crypto assets, which information is expanded upon below the table:

| Summary Table of Third-Party Custodians | | | | |
|---|---|--|--|--|
| | Argent Crypto | Kraken | NiceHash | Newton |
| <i>Identity and location of third-party custodian</i> | Argent Crypto is a cryptocurrency consulting company with a registered office at 4266 Richfield Terrace, Victoria, British Columbia, and business number 763078086BC0001. Argent Crypto is arm's length to the Company. | Kraken is a financial services company with a corporate address of 237 Kearny St, Suite 102, San Francisco, CA, 94108, United States, with a Canadian subsidiary located at 1100-1959 Upper Water Street, Halifax, Nova Scotia. Kraken is arm's length to the Company. | NiceHash is a hash rate broker and marketplace headquartered in the British Virgin Islands with an address of Intershore Chambers, Road Town, Tortola, VG1110, and company number 2048669. NiceHash is arm's length to the Company. | Newton is a non-reporting crypto asset trading platform with a registered office at 701-370 King St. W, Toronto, Ontario, extra-provincially registered in British Columbia under registration number A0118861 and business number 772001319BC0001. Newton is arm's length to the Company. |
| <i>Identity and location of sub-custodians</i> | N/A | N/A | <p>BitGo Holdings, Inc. ("BitGo") is an arm's length digital asset trust company that provides institutional digital asset custody services. BitGo is a Delaware corporation with headquarters at 2443 Ash Street, Palo Alto, California, 94306, United States.</p> <p>Fireblocks is an arm's length digital asset wallet provider incorporated in Delaware and headquartered in New York.</p> <p>NICEX Ltd. ("NiceX") is an arm's length cryptocurrency exchange created by NiceHash. NiceX has an address located at Road Town, Tortola, British Virgin Islands.</p> | <p>Paradiso Ventures Inc., operating as Balance ("Balance"), is an arm's length digital asset custody service with a registered office address located at Toronto, Ontario.</p> <p>Etana Trust Company, doing business as Etana Custody ("Etana Custody"), is an arm's length fiat and digital asset custody service with an address located at Denver, Colorado, United States.</p> <p>Coinbase Custody is an arm's length digital asset custody service with an address located at New York, New York, United States. Coinbase Custody is licensed as a limited purpose trust company with the New York Department of Financial Services. Approximately 80% of Newton's total client</p> |

| Summary Table of Third-Party Custodians | | | | |
|--|---|---|--|---|
| | Argent Crypto | Kraken | NiceHash | Newton |
| | | | | <p>assets are held in cold storage by Coinbase Custody.</p> <p>Fireblocks Ltd. (“Fireblocks”) is an arm’s length digital asset wallet provider incorporated in Delaware and headquartered in New York.</p> <p>Newton has also licensed software from Digital Services Limited (trading as CoinCover) (“CoinCover”), an arm’s length party to the Company, to provide additional security for keys to crypto assets held by Newton using Fireblocks, including key pair creation, device access recovery and account access recovery. CoinCover is based in the United Kingdom and is regulated by the U.K. Financial Conduct Authority.</p> |
| <p><i>Services provided to the issuer by the third-party custodian</i></p> | <p>Should the Company opt to pursue the Argent Monetization Strategy in the future, Argent Crypto may utilize the Company’s Hash Rate to mine Monero, collect Monero earned from such activity, and convert the collected Monero into</p> | <p>Should the Company opt to pursue the Argent Monetization Strategy in the future, Kraken provides a digital wallet which may hold Monero collected from Argent Crypto’s mining activities for the period of time between collection of Monero and conversion to Canadian dollars.</p> | <p>NiceHash operates a marketplace in which users can buy and sell hash power necessary for crypto mining activities. The Company intends to offer its Hash Rate for rent on the NiceHash platform and receive compensation from NiceHash in the form of USD Coin paid by other NiceHash users for use of the Hash Rate. Any USD Coin paid to the Company in exchange for renting the HashRate on NiceHash</p> | <p>Newton provides a digital wallet which will hold USD Coin received from NiceHash (see left). Newton also provides a digital asset exchange where the Company may convert USD Coin to US dollars on the first day of each calendar month.</p> |

| Summary Table of Third-Party Custodians | | | | |
|--|--|--|---|---|
| | Argent Crypto | Kraken | NiceHash | Newton |
| | Canadian dollars on behalf of the Company pursuant to the terms of the Argent Services Agreement. | Kraken also provides a digital asset exchange where Argent Crypto may convert Monero to Canadian dollars. Argent Crypto will not use Kraken to trade, invest, or purchase crypto assets. | will be held temporarily in a digital wallet hosted by NiceHash prior to being transferred to a digital wallet hosted by Newton. | |
| <i>Whether the custodian is a Canadian financial institution (as defined in NI 45-106) or a foreign equivalent, and if so by whom the custodian is regulated</i> | Argent Crypto is not a Canadian financial institution. Argent Crypto is a non-reporting money services business incorporated under the laws of the Province of British Columbia. Argent Crypto is registered with FINTRAC under registration number M22869906. | Kraken is not a Canadian financial institution. Kraken is a U.S.-based financial services company subject to the regulatory framework of the <i>Bank Secrecy Act</i> , 31 U.S.C. 5311. | NiceHash is not a Canadian financial institution. NiceHash is incorporated under the <i>BVI Business Companies Act</i> of the British Virgin Islands. The British Virgin Islands does not currently have a regulatory framework for virtual assets or cryptocurrencies, although it is expected that the jurisdiction will in time develop a regulatory framework tailored specifically for virtual assets. ¹ In the meantime, the BVI FSC has issued the FSC Guidance outlining which types of crypto assets and activities are subject to the regulatory remit of the BVI FSC and other pertinent securities regulation. ² A virtual asset that is used solely as a medium of | Newton is not a Canadian financial institution. Newton is a crypto asset trading platform business incorporated in Canada under the federal <i>Canada Business Corporations Act</i> , R.S.C. 1985, c. C-44, and is subject to Canadian securities regulation. |

¹ Padarin, Michael and Daniel Moore, “Virtual assets regulation in BVI: Challenges and opportunities”, Carey Olsen Offshore Law Firm, <https://www.careyolsen.com/articles/virtual-assets-regulation-bvi-challenges-and-opportunities>.

² BVI FSC Guidance on Regulation of Virtual Assets in the Virgin Islands, https://www.bvifsc.vg/sites/default/files/guidance_on_regulation_of_virtual_assets_in_the_virgin_islands_bvi_final.pdf.

| Summary Table of Third-Party Custodians | | | | |
|---|--|---|--|---|
| | Argent Crypto | Kraken | NiceHash | Newton |
| | | | exchange is not subject to the regulatory remit of the BVI FSC. ³ The Company's proposed use of the NiceHash platform relates only to virtual assets that are used solely as a medium of exchange. | |
| <i>Whether the issuer is aware of anything with regards to the custodian's operations that would adversely affect the issuer's ability to obtain an unqualified audit opinion on its audited financial statements</i> | The Company is not aware of anything with regards to the operations of Argent Crypto that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. | The Company is not aware of anything with regards to the operations of Kraken that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. | The Company is not aware of anything with regards to the operations of NiceHash that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. | The Company is not aware of anything with regards to the operations of Newton that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements. |
| <i>Whether the custodian is a related party of the issuer</i> | Argent Crypto is not a related party of the Company. | Kraken is not a related party of the Company. | NiceHash is not a related party of the Company. | Newton is not a related party of the Company. |
| <i>The quantity or percentage of the issuer's crypto assets held by the custodian as at each reporting</i> | Should the Company opt to pursue the Argent Monetization Strategy, there will be no crypto assets held by Argent Crypto at any reporting period | Should the Company opt to pursue the Argent Monetization Strategy, the amount of crypto assets held by Kraken at each reporting period end date will depend on the | There will be no crypto assets held by NiceHash at any reporting period end date. Any crypto assets (ie. USD Coin) held by NiceHash will be automatically transferred from the NiceHash Wallet to the Newton Wallet every four hours | The amount of crypto assets held by Newton at each reporting period end date will depend on the amount of USD Coin received from NiceHash in the calendar month immediately preceding the respective reporting period end date. |

³ BVI FSC Guidance, *supra* note 3.

| Summary Table of Third-Party Custodians | | | | |
|---|---|--|--|--|
| | Argent Crypto | Kraken | NiceHash | Newton |
| <i>period end date</i> | end date. All crypto assets (ie. Monero) that Argent Crypto may collect through mining activities will be held by Kraken in the Kraken Wallet. | amount of Monero collected by Argent Crypto in the calendar month immediately preceding the respective reporting period end date. | using NiceHash's "pay-per-share" system. | |
| <i>Whether the crypto assets held by the custodian are insured and any limitations on the custodian's liability in the event of the loss or theft of the issuer's crypto assets</i> | Should the Company opt to pursue the Argent Monetization Strategy, any crypto assets held by Kraken for Argent Crypto will not be insured, and Argent Crypto bears no liability for loss or theft of crypto assets held in the Kraken Wallet. | Should the Company opt to pursue the Argent Monetization Strategy, any crypto assets held by Kraken will not be insured, and Kraken bears no liability for loss or theft of crypto assets held in the Kraken Wallet. | Crypto assets held by NiceHash are not insured. NiceHash bears no liability for loss or theft of crypto assets held in the NiceHash Wallet. NiceHash has reimbursed users for losses due to a prior theft, as they have fully repaid all crypto assets stolen in a 2017 security breach (see below). | Crypto assets held by Newton are not insured, and Newton bears no liability for loss or theft of crypto assets held in the Newton Wallet. Newton has obtained a guarantee from CoinCover for 100% of the client assets held with sub-custodian Fireblocks, excluding losses arising from the gross negligence, willful misconduct or fraud of an employee or representative of Newton. The guarantee covers the theft or loss of crypto assets and also includes a software technology solution which monitors and limits transactions and prevents funds from being maliciously taken from Fireblocks wallets. The total aggregated cover amount under the CoinCover guarantee is currently over US\$19.5 million and the coverage amount is reviewed periodically by Newton. ⁴ Additionally, sub- |

⁴ Newton Terms of Use, "Depositing Digital Assets, Transactions and Third-Party Custody", <https://www.newton.co/terms-of-use>.

| Summary Table of Third-Party Custodians | | | | |
|---|--|--|---|---|
| | Argent Crypto | Kraken | NiceHash | Newton |
| | | | | custodian Coinbase Custody maintains US\$320 million of insurance (pre-incident and overall) which covers losses of assets held by Coinbase Custody on behalf of its customers due to third party hacks, copying or theft of private keys, insider theft, or dishonest acts by Coinbase Custody's employees or executives and loss of keys. |
| <i>Any known security breaches or other similar incidents involving the custodian as a result of which crypto assets have been lost or stolen</i> | The Company is not aware of any security breaches or other similar incidents involving Argent Crypto which resulted in the loss or theft of crypto assets. | In May 2017, Kraken was affected by a Distributed Denial of Service (DDoS) attack, leading to a class action lawsuit against Kraken in which plaintiffs sought over \$5 million which they claimed resulted from Kraken's mishandling of the breach. | NiceHash was hacked for 4,736 Bitcoin ("BTC") in December 2017. At the time, the stolen BTC was worth roughly \$70 million (in USD). NiceHash repaid all eligible users who applied for reimbursement by December 16, 2020. | The Company is not aware of any security breaches or other similar incidents involving Newton in which crypto assets have been lost or stolen. A cybersecurity breach involving one of Newton's sub-custodians occurred in April 2021, although which sub-custodian in particular was not disclosed. The breach did not cause any loss to Newton customers. |
| <i>The treatment of the assets in the event of an insolvency or bankruptcy of the custodian</i> | In the event of an insolvency or bankruptcy of Argent Crypto, the <i>Bankruptcy and Insolvency Act</i> , R.S.C. (Canada) 1985, c. B-3, or <i>Companies' Creditors Arrangement Act</i> , R.S.C. (Canada) 1985, c. C-36, will apply as required. | Kraken will be subject to the <i>United States Bankruptcy Code</i> (U.S.C. Title 11) and <i>Federal Rules of Bankruptcy Procedure</i> , subject to certain exemptions under the California Code of Civil Procedure § 703. | Insolvency or bankruptcy of NiceHash will be governed by the <i>British Virgin Islands Insolvency Act 2003</i> and the <i>British Virgin Islands Insolvency Rules 2005</i> . | In the event of an insolvency or bankruptcy of Newton, the <i>Bankruptcy and Insolvency Act</i> , R.S.C. (Canada) 1985, c. B-3, or <i>Companies' Creditors Arrangement Act</i> , R.S.C. (Canada) 1985, c. C-36, will apply as required. |

| Summary Table of Third-Party Custodians | | | | |
|--|----------------------|---|---|---------------|
| | Argent Crypto | Kraken | NiceHash | Newton |
| <i>If the custodian operates in a foreign jurisdiction, what due diligence the issuer has performed on the custodian</i> | N/A | The Company has reviewed the Kraken website generally, including publicly available Terms of Service and security features. The Company will monitor the status of Kraken online. | The Company has reviewed the NiceHash website generally, including publicly available Terms of Service and security features. The Company will monitor the status of NiceHash online. | N/A |

Identity and Location of Third-Party Custodians

Newton is a non-reporting crypto asset trading platform with a registered office at 701-370 King St. W, Toronto, Ontario, extra-provincially registered in British Columbia under registration number A0118861 and business number 772001319BC0001. Newton operates its business throughout Canada.

NiceHash is a hash rate broker and marketplace headquartered in the British Virgin Islands with an address of Intershore Chambers, Road Town, Tortola, VG1110, and company number 2048669. NiceHash does not have an address in Canada, but users throughout Canada may access its business via the internet.

Should the Company opt to pursue the Argent Monetization Strategy in the future (see “*Monetization of Limitless VPN*”), the following will apply:

- Argent Crypto is a cryptocurrency consulting company based in Victoria, British Columbia and operating throughout Canada. Argent Crypto has a registered office at 4266 Richfield Terrace, Victoria, British Columbia, and business number 763078086BC0001.
- Kraken is a financial services company with a corporate address of 237 Kearny St, Suite 102, San Francisco, CA, 94108, United States, with a Canadian subsidiary located at 1100-1959 Upper Water Street, Halifax, Nova Scotia. Kraken operates its business throughout Canada.

Identity and Location of Sub-Custodians

Newton uses the following sub-custodians upon the deposit, transfer of crypto assets to, or withdrawal of crypto assets from the Newton Wallet:

- Paradiso Ventures Inc., operating as Balance, is an arm’s length digital asset custody service with a registered office address located at Toronto, Ontario. Balance is registered with FINTRAC as a money services business dealing in virtual currencies.
- Etana Trust Company, doing business as Etana Custody, is an arm’s length fiat and digital asset custody service with an address located at Denver, Colorado, United States. Etana Custody is a chartered trust company regulated by the Colorado Division of Banking.
- Coinbase Custody is an arm’s length digital asset custody service with an address located at New York, New York, United States. Coinbase Custody is licensed as a limited purpose trust company

with the New York Department of Financial Services. Approximately 80% of Newton's total client assets are held in cold storage by Coinbase Custody.⁵

- Fireblocks is an arm's length digital asset wallet provider incorporated in Delaware and headquartered in New York. They use enterprise-grade multi-layer security and insure assets in storage, transfer, and E&O. Fireblocks is also SOC 2 Type 2 certified and completes regular pen testing from ComSec and NCC Group, and is certified by the ISO in security (ISO 27001), cloud (ISO 27017) and privacy (ISO 27018).⁶ In 2021, Fireblocks introduced its global Regulatory Compliance Team to demonstrate their commitment to regulatory compliance and educate banks and financial institutions on digital assets.⁷ Fireblocks also works with blockchain organizations to improve regulatory clarity across the globe, including the Association for Digital Asset Markets and Blockchain Association in the US, INATBA in the EU, and Crypto UK. The company's current Regulatory Advisor is former US SEC Chairman Jay Clayton.⁸ Approximately 20% of Newton's total client assets are held online in hot wallets secured by Fireblocks.⁹
- Newton has licensed software from Digital Services Limited (trading as CoinCover), an arm's length party to the Company, to provide additional security for keys to crypto assets held by Newton using Fireblocks, including key pair creation, device access recovery and account access recovery. CoinCover is based in the United Kingdom and is regulated by the U.K. Financial Conduct Authority.

The Company has no independent agreement or contract with the sub-custodians listed above, and all services provided by Newton that involve such sub-custodians are facilitated and authorized through Newton's contractual arrangement with each sub-custodian.

NiceHash uses the following sub-custodians upon the deposit, transfer of crypto assets to, or withdrawal of crypto assets from the NiceHash Wallet:

- BitGo is an arm's length digital asset trust company that provides institutional digital asset custody services. BitGo is a Delaware corporation with headquarters at 2443 Ash Street, Palo Alto, California, 94306, United States. BitGo provides both hot wallet access and cold storage. For hot wallet access, BitGo uses "leading institutional grade, multi-signature wallets" which comply with SOC 2 Type 2 certification and are protected by third-party key recovery service insurance.¹⁰ BitGo's cold storage is performed by BitGo Trust Company, which is a chartered trust company in South Dakota (and in New York for New York clients only). BitGo Trust Company is also a "qualified custodian", meaning it is a regulated entity that has a fiduciary duty to its clients and meets rigorous regulatory standards and audits that help protect client funds against loss, theft, or misuse.¹¹
- Fireblocks is an arm's length digital asset wallet provider incorporated in Delaware and headquartered in New York. They use enterprise-grade multi-layer security and insure assets in storage, transfer, and E&O. Fireblocks is also SOC 2 Type 2 certified and completes regular pen testing from ComSec and NCC Group, and is certified by the ISO in security (ISO 27001), cloud (ISO 27017) and privacy (ISO 27018).¹² In 2021, Fireblocks introduced its global Regulatory Compliance Team to demonstrate their commitment to regulatory compliance and educate banks and financial

⁵ Newton Relationship Disclosure, "Custodial Arrangements", <https://www.newton.co/relationship-disclosure>.

⁶ Fireblocks Security, <https://www.fireblocks.com/platforms/security/>.

⁷ Fireblocks Blog, <https://www.fireblocks.com/blog/building-out-our-regulatory-compliance-team/>.

⁸ Fireblocks About, <https://www.fireblocks.com/about/>.

⁹ Newton Risk Disclosure, Section 4(b), <https://www.newton.co/risk-disclosure>.

¹⁰ BitGo Blog, "BitGo Completes Soc 2 Type 2", <https://blog.bitgo.com/bitgo-completes-soc-2-type-2-37edd178f151>.

¹¹ BitGo Blog, "Not All Custody Is Created Equal: A Guide to Choosing the Right Custodian", <https://blog.bitgo.com/not-all-custody-is-created-equal-a-guide-to-choosing-the-right-custodian-9823d48a26d8>.

¹² Fireblocks Security, *supra* note 7.

institutions on digital assets.¹³ Fireblocks also works with blockchain organizations to improve regulatory clarity across the globe, including the Association for Digital Asset Markets and Blockchain Association in the US, INATBA in the EU, and Crypto UK. The company's current Regulatory Advisor is former US SEC Chairman Jay Clayton.¹⁴

- NiceX is an arm's length cryptocurrency exchange created by NiceHash. NiceX has an address located at Road Town, Tortola, British Virgin Islands. NiceX secures wallets and private keys using AES-256 encryption and backs all crypto assets with full reserves.¹⁵ The Company's activities involving NiceX will be limited to dealing in virtual assets that are used solely as a medium of exchange, and are therefore outside the regulatory remit of the BVI FSC.¹⁶

The Company has no independent agreement or contract with the sub-custodians listed above, and all services provided by NiceHash that involve such sub-custodians are facilitated and authorized through NiceHash's contractual arrangement with each sub-custodian.

Should the Company opt to pursue the Argent Monetization Strategy in the future, Argent Crypto may utilize Kraken to hold Monero earned from mining operations prior to converting to Canadian dollars. Kraken does not utilize sub-custodians for the deposit, purchase, or withdrawal of crypto assets from the Kraken platform.

Services Provided to the Company by Custodians

NiceHash operates a marketplace in which users can buy and sell hash power necessary for crypto mining activities. The Company intends to offer its Hash Rate for rent on the NiceHash platform and receive compensation from NiceHash in the form of USD Coin paid by other NiceHash users for use of the Hash Rate. Any USD Coin paid to the Company in exchange for renting the Hash Rate on NiceHash will be held temporarily in a digital wallet hosted by NiceHash prior to being transferred to a digital wallet hosted by Newton. For a step-by-step outline of the NiceHash renting process, see "*Monetization of Limitless VPN*" heading in Section 4.1 Narrative Description of Business.

Newton provides a digital wallet which will hold USD Coin received from NiceHash. Newton also provides a digital asset exchange where the Company may convert USD Coin to US dollars on the first day of each calendar month. For a detailed summary of the conversion process involving NiceHash and Newton, see "*Crypto Assets Held by the Custodians as at each Reporting Period End Date*" below.

Should the Company opt to pursue the Argent Monetization Strategy in the future, the following will apply:

- Argent Crypto may utilize the Company's Hash Rate to mine Monero, collect Monero earned from such activity, and convert the collected Monero into Canadian dollars on behalf of the Company pursuant to the terms of the Argent Services Agreement. For a step-by-step outline of the Argent Crypto mining process, see "*Monetization of Limitless VPN*" in Section 4.1 Narrative Description of Business.
- Kraken provides a digital wallet which may hold Monero collected from Argent Crypto's mining activities for the period of time between collection of Monero and conversion to Canadian dollars. Kraken also provides a digital asset exchange where Argent Crypto may convert Monero to Canadian dollars. Argent Crypto will not use Kraken to trade, invest, or purchase crypto assets. For a detailed summary of the potential conversion process involving Argent Crypto and Kraken, see "*Crypto Assets Held by the Custodians as at each Reporting Period End Date*" below.

¹³ Fireblocks Blog, *supra* note 8.

¹⁴ Fireblocks About, *supra* note 9.

¹⁵ NiceX Security, <https://www.nicex.com/security>.

¹⁶ BVI FSC Guidance, *supra* note 3.

Regulatory Frameworks Applicable to Custodians

Newton is not a Canadian financial institution as defined in NI 45-106. Newton is incorporated in Canada under the federal *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, and is subject to Canadian securities regulation. Newton has not provided a pre-registration undertaking pursuant to the Canadian Securities Administrators' announcement on August 15, 2022, but has been granted relief to distribute crypto contracts and operate a platform in Canada that facilitates the buying, selling and holding of crypto assets while seeking registration as an investment dealer and membership with IIROC.¹⁷ Newton does hold fiat cash currency on clients' behalf in an account at a Canadian financial institution that is a qualified custodian for cash under applicable securities laws, separate and apart from Newton's own assets.¹⁸

NiceHash is not a Canadian financial institution as defined in NI 45-106. NiceHash is incorporated under the *BVI Business Companies Act* of the British Virgin Islands. The British Virgin Islands does not currently have a specific regulatory framework for virtual assets or cryptocurrencies, although it is expected that the jurisdiction will in time develop a regulatory framework tailored specifically for virtual assets.¹⁹ In the meantime, the BVI FSC has issued the FSC Guidance outlining which types of crypto assets and activities are subject to the regulatory remit of the BVI FSC and other pertinent securities regulation.²⁰ A virtual asset that is used solely as a medium of exchange is not subject to the regulatory remit of the BVI FSC.²¹ The Company's proposed use of the NiceHash platform relates only to virtual assets that are used solely as a medium of exchange.

Should the Company opt to pursue the Argent Monetization Strategy in the future, the following will apply:

- Argent Crypto is not a Canadian financial institution as defined in NI 45-106. Argent Crypto is a non-reporting money services business incorporated under the laws of the Province of British Columbia. There is no provincial regulatory framework for money services businesses in British Columbia, although such businesses are required to register with FINTRAC. Argent Crypto is registered with FINTRAC.
- Kraken is not a Canadian financial institution as defined in NI 45-106. Kraken is a U.S.-based financial services company, placing it within the regulatory framework of the *Bank Secrecy Act*, 31 U.S.C. 5311. Kraken also recently received a Special Purpose Depository Institution ("**SPDI**") Bank Charter from the State of Wyoming, which allows Kraken to house digital currencies alongside fiat currencies under an independent affiliate called "Kraken Bank".²² Assets held with Kraken Bank will be subject to Wyoming's forward-facing regulatory framework and oversight from the Wyoming Division of Banking.²³

Obtaining an Unqualified Audit Opinion

The Company is not aware of anything with regards to the operations of Newton, NiceHash, Argent Crypto, Kraken or any of their sub-custodians, that would adversely affect the Company's ability to obtain an unqualified audit opinion on its audited financial statements.

Custodians as Related Parties to the Company

None of Newton, NiceHash, Argent Crypto, Kraken or any of their sub-custodians, are related parties to the Company.

¹⁷ Ontario Securities Commission, *supra* note 1.

¹⁸ Newton Relationship Disclosure, *supra* note 6.

¹⁹ Padarin, Michael and Daniel Moore, *supra* note 2.

²⁰ BVI FSC Guidance, *supra* note 3.

²¹ BVI FSC Guidance, *supra* note 3.

²² "SPDI: Special Purpose Depository Institution Bank Charter", <https://www.kraken.com/en-us/learn/finance/spdi-bank-charter>.

²³ "Frequently asked questions", <https://www.kraken.com/bank>.

Crypto Assets Held by the Custodians as at each Reporting Period End Date

The amount of crypto assets held by Newton at each reporting period end date will depend on the amount of USD Coin received from NiceHash in the calendar month immediately preceding the respective reporting period end date. In any instance, any USD Coin held by Newton at the reporting period end date will be converted to US dollars on the first day of the month immediately following the reporting period end date, subject to the availability of buy orders for USD Coin on the Newton platform (see *Risk Factors*). For example, for the month ending on December 31, Newton will hold, on the reporting period end date, any USD Coin received from NiceHash from December 1 to December 31. The Company will then convert all such USD Coin to US dollars on January 1 and transfer all resulting US dollars to a bank account at a Canadian financial institution. For a step-by-step outline of the NiceHash renting process, see “*Monetization of Limitless VPN*”.

There will be no USD Coin held by NiceHash at any reporting period end date. Any USD Coin earned from renting out the Hash Rate will be transferred from the NiceHash Wallet to the Newton Wallet every four hours. The transfer between the NiceHash Wallet and the Newton Wallet will be performed automatically by the NiceHash platform using NiceHash’s “pay-per-share” system.²⁴

Should the Company opt to pursue the Argent Monetization Strategy in the future, all crypto assets (in this case Monero) collected by Argent Crypto as a result of Argent Crypto’s mining activities may be held by Kraken. The amount of Monero held by Kraken at each reporting period end date will depend on the amount of Monero collected by Argent Crypto in the calendar month immediately preceding the respective reporting period end date. In any instance, Argent Crypto will convert any Monero held by Kraken at the reporting period end date to Canadian dollars on the first day of the month immediately following the reporting period end date, subject to the availability of buy orders for Monero on the Kraken platform (see *Risk Factors*). For example, for the month ending on December 31, Kraken may hold, on the reporting period end date, any Monero collected from mining activities using the Company’s Hash Rate from December 1 to December 31. Argent Crypto will then convert all such Monero to Canadian dollars on January 1 and transfer 93% of said Canadian dollars to the Company. For a step-by-step outline of the Argent Crypto mining process, see “*Monetization of Limitless VPN*”.

Insurance and Limitations on Custodian Liability in the Event of a Loss or Theft of Crypto Assets

Any USD Coin held by Newton and NiceHash on the Company’s behalf, and any Monero potentially held by Kraken under the Argent Monetization Strategy, are not insured, and Newton, NiceHash, Argent Crypto and Kraken do not bear any liability for loss or theft of crypto assets held by them.

Newton has obtained a guarantee from CoinCover for 100% of the client assets held with sub-custodian Fireblocks, excluding losses arising from the gross negligence, willful misconduct or fraud of an employee or representative of Newton. The guarantee covers the theft or loss of crypto assets and also includes a software technology solution which monitors and limits transactions and prevents funds from being maliciously taken from Fireblocks wallets. The total aggregated cover amount under the CoinCover guarantee is currently over US\$19.5 million and the coverage amount is reviewed periodically by Newton.²⁵ Additionally, sub-custodian Coinbase Custody maintains US\$320 million of insurance (pre-incident and overall) which covers losses of assets held by Coinbase Custody on behalf of its customers due to third party hacks, copying or theft of private keys, insider theft, or dishonest acts by the Coinbase Custody’s employees or executives and loss of keys.²⁶ Newton expressly limits its liability in all other instances of theft and loss in its Terms of Use. The Company aims to mitigate this risk by converting crypto assets to fiat currency at regularly scheduled intervals, thus reducing the amount of crypto assets held in the Newton, NiceHash, and Kraken wallets, as applicable (see “*Crypto Assets Held by the Custodians as at each Reporting Period End Date*” above).

²⁴ NiceHash, “What is the PPS reward system?”, <https://www.nicehash.com/support/mining-help/earnings-and-payments/what-is-the-pps-reward-system>.

²⁵ Newton Terms of Use, “Depositing Digital Assets, Transactions and Third-Party Custody”, <https://www.newton.co/terms-of-use>.

²⁶ Newton Risk Disclosure, Section 4(c), <https://www.newton.co/risk-disclosure>.

Known Security Breaches or Similar Incidents Involving Custodians Resulting in Loss or Theft of Crypto Assets

The Company is not aware of any security breaches or other similar incidents involving Newton in which crypto assets have been lost or stolen. A cybersecurity breach involving one of Newton's sub-custodians occurred in April 2021, although which sub-custodian in particular was not disclosed. The breach did not cause any loss to Newton customers. At the time, Newton announced that it was halting trading on its platform to allow the sub-custodian to remedy the breach. Newton further announced that the breach was unlikely to affect Newton users in any event as the platform stores the majority of customer assets in cold storage and only keeps a limited amount of funds in hot wallets to facilitate withdrawals.²⁷

On December 6th, 2017, NiceHash was hacked for 4,736 BTC. At the time, the stolen BTC was worth roughly \$70 million (in USD). The attacker was able to obtain a NiceHash employee's credentials via a spear phishing email and was able to perform lateral movement within the NiceHash data center via the stolen VPN credentials. NiceHash immediately reported the incident to law enforcement, as well as hired LIFARS, an arm's length cyber security company, to investigate the breach and attempt to recover misappropriated funds. NiceHash cooperated with Europol and U.S. law enforcement agencies throughout the process.²⁸ While funds were unable to be recovered, NiceHash established a repayment plan under which it promised to fully reimburse all users who lost funds as a result of the breach. NiceHash repaid all eligible users who applied for reimbursement by December 16, 2020.²⁹

The Company is not aware of any security breaches or other similar incidents involving Argent Crypto which resulted in the loss or theft of crypto assets.

In May 2017, Kraken was affected by a Distributed Denial of Service (DDoS) attack, leading to a class action lawsuit against Kraken in which plaintiffs sought over \$5 million which they claimed resulted from Kraken's mishandling of the breach.³⁰

Treatment of Assets in the Event of an Insolvency or Bankruptcy of a Custodian

In the event of an insolvency or bankruptcy of Newton, the *Bankruptcy and Insolvency Act*, R.S.C. (Canada) 1985, c. B-3, or *Companies' Creditors Arrangement Act*, R.S.C. (Canada) 1985, c. C-36, will apply as required. Insolvency or bankruptcy of NiceHash will be governed by the British Virgin Islands *Insolvency Act* 2003 and the British Virgin Islands *Insolvency Rules* 2005.

In regards to sub-custodians, the following insolvency and bankruptcy protocols will govern:

- For Balance operating in Canada, *Bankruptcy and Insolvency Act*, R.S.C. (Canada) 1985, c. B-3, or *Companies' Creditors Arrangement Act*, R.S.C. (Canada) 1985, c. C-36, will apply;
- For each of Etana Custody, Coinbase Custody, BitGo and Fireblocks operating in the United States, *United States Bankruptcy Code* (U.S.C. Title 11) and *Federal Rules of Bankruptcy Procedure*, subject to certain exemptions under the applicable State laws will apply;
- For CoinCover, operating in the United Kingdom, *The Insolvency (England and Wales) Rules 2016* will apply, along with the *Insolvency Act 1986* (as amended) and the *Insolvency Rules 1986* (as

²⁷ Megan Simpson, "Newton Had An Outage And Now Users Are Complaining Their Transactions Are Pending", Canadian Startup News, April 28, 2021, betakit, <https://betakit.com/newton-had-an-outage-and-now-users-are-complaining-their-transactions-are-pending/>.

²⁸ "NiceHash security breach investigation update", November 11, 2018, <https://www.nicehash.com/blog/post/nicehash-security-breach-investigation-update>.

²⁹ "NiceHash keeps the promise and will fully reimburse its users", November 15, 2020, <https://www.nicehash.com/blog/post/nicehash-keeps-the-promise-and-will-fully-reimburse-its-users>

³⁰ Investopedia, "What Is Kraken? How It Works, How It Stands Out, and Issues", <https://www.investopedia.com/tech/what-kraken/>

amended); and

- For NiceX, operating in the British Virgin Islands, *Insolvency Act 2003* (British Virgin Islands) and the British Virgin Islands *Insolvency Rules 2005* will apply.

Should the Company opt to pursue the Argent Monetization Strategy in the future, the following will apply:

- In the event of an insolvency or bankruptcy of Argent Crypto, the *Bankruptcy and Insolvency Act*, R.S.C. (Canada) 1985, c. B-3, or *Companies' Creditors Arrangement Act*, R.S.C. (Canada) 1985, c. C-36, will apply as required. Kraken will be subject to the *United States Bankruptcy Code* (U.S.C. Title 11) and *Federal Rules of Bankruptcy Procedure*, subject to certain exemptions under the California Code of Civil Procedure § 703.

Due Diligence Performed on Custodians Operating in a Foreign Jurisdiction

In regards to NiceHash which operates in a foreign jurisdiction, the Company has reviewed the NiceHash website generally at <https://www.nicehash.com/> and <https://www.nicehash.com/about>, as well as the Terms of Use publicly available at <https://www.nicehash.com/terms>, and the security features at <https://www.nicehash.com/security>. Management of the Company will monitor the status of NiceHash through an online account at <https://status.nicehash.com/>, and has identified alternate services that may be used in the event the NiceHash service is disrupted or fails.

In regards to sub-custodians operating in foreign jurisdictions, the following due diligence has been performed:

- For Fireblocks, management of the Company has reviewed the Fireblocks website generally at <https://www.fireblocks.com/about/> and the security features at <https://www.fireblocks.com/platforms/security/>.
- For Etana Custody, management of the Company has reviewed the Etana Custody website generally at <https://www.etana.com/about-etana>, and the security features at <https://www.etana.com/crypto-custody-services>.
- For Coinbase Custody, management of the Company has reviewed the Coinbase Custody website generally at <https://www.coinbase.com/about> and <https://www.coinbase.com/prime/custody>, and the security features at <https://www.coinbase.com/security>.
- For CoinCover, management of the Company has reviewed the CoinCover website generally at <https://www.coincover.com/> and <https://www.coincover.com/about>, and the security features at <https://www.coincover.com/products/theft-protection>.
- For NiceX, management of the Company has reviewed the NiceX website generally at <https://www.nicex.com/> and <https://www.nicex.com/about>, and the security features at <https://www.nicex.com/security>.
- For BitGo, management of the Company has reviewed the BitGo website generally at <https://www.bitgo.com/> and <https://www.bitgo.com/company/about-bitgo>, and the security features at <https://www.bitgo.com/products/hot-wallets> and <https://www.bitgo.com/products/custodial-wallets>.

Not all sub-custodians offer the capability to monitor the status of their service online. As such, management of the Company will rely on the status of custodians who engage sub-custodians as an indicator of the status of each applicable sub-custodian. Management will not monitor the status of each sub-custodian individually.

Should the Company opt to pursue the Argent Monetization Strategy in the future, the following will apply:

- In regards to Kraken which operates in a foreign jurisdiction, the Company has reviewed the Kraken website generally at <https://www.kraken.com/why-kraken> and <https://blog.kraken.com/about/>, as well

as the Terms of Service publicly available at <https://www.kraken.com/legal>, the security features at <https://www.kraken.com/features/security>, and details regarding Kraken Bank and its SPDI Bank Charter at <https://www.kraken.com/en-us/learn/finance/spdi-bank-charter>. Management of the Company will monitor the status of Kraken through an online account at <https://status.kraken.com/>.

Cryptocurrencies

When the Company begins offering its Hash Rate for rent on the NiceHash platform, the Hash Rate will be used by NiceHash users to mine Monero. The Company is not aware of any risk of decreased rewards for mining Monero in particular. As outlined above in “Monetization of Limitless VPN”, the Company will be paid in USD Coin by NiceHash in exchange for providing the Hash Rate to NiceHash users to mine Monero. USD Coin is a stablecoin that attempts to maintain a peg to the US Dollar at a 1:1 ratio. USD Coin is also a fully-reserved stablecoin, meaning every USD Coin on the internet is 100% backed by cash and short-dated US treasuries held in the custody of US financial institutions, including BlackRock and BNY Mellon. USD Coin was developed by Circle Internet Financial, LLC (“**Circle**”), which is a peer-to-peer payments technology company licensed as a Money Transmitter by the New York State Department of Financial Institutions. Circle is an arm’s length party to the Company. Circle’s financial statements are audited annually and subject to review by the US SEC.³¹ Given its design to maintain a peg to the US dollar, USD Coin is less vulnerable to fluctuations in value due to speculation in cryptocurrency markets. However, recent events such as the fallout from the collapse of Silicon Valley Bank have shown that USD Coin can become devalued compared to the US dollar, which may lead to heightened regulatory oversight of USD Coin and other stablecoins in the future (see *Risk Factors*). USD Coin is also still susceptible to normal currency fluctuations and all factors that regularly affect fluctuations in fiat currencies. These may include global supply and demand, interest rates, exchange rates, inflation or deflation and global political and economic conditions. USD Coin will also be at risk of theft or loss due to business failure or security breaches of the custodial service or trading platform where the USD Coin is held. The amount of USD Coin received from NiceHash in exchange for renting the Hash Rate through NiceHash will also depend on the number of NiceHash users who use the Hash Rate to mine Monero. A decrease in the value of Monero may reduce the demand for Monero, which may subsequently reduce the volume of NiceHash users who are willing to use the Hash Rate to mine Monero. At any given time, there may be no buy orders available on NiceHash to match with the Company’s offer to provide the Hash Rate to mine Monero, which would result in the Company not being able to receive USD Coin in exchange for its Hash Rate during that time. This could ultimately reduce the amount of USD Coin that the Company receives from NiceHash. The Company has not hedged the conversion of any of its cryptocurrency revenue or future mining of cryptocurrencies. For a step-by-step outline of the NiceHash renting process, see “*Monetization of Limitless VPN*”.

Should the Company opt to pursue the Argent Monetization Strategy in the future, Argent Crypto will use the Hash Rate to mine the cryptocurrency Monero. As stated above, the Company is not aware of any risk of decreased rewards for mining Monero in particular. The amount of revenue the Company is able to receive from mining operations performed by Argent Crypto will depend on the market demand for Monero. Unfavourable and unforeseen market conditions may cause decreased rewards for mining any particular crypto asset, including Monero. Cryptocurrencies have a limited history and the fair value historically has been very volatile. Historical performance of cryptocurrencies are not indicative of their future price performance. For a step-by-step outline of the Argent Crypto mining process, see “*Monetization of Limitless VPN*”.

³¹ USD Coin Home Page, <https://www.circle.com/en/usdc#:~:text=USDC%20is%20a%20fully%2Dreserved,equivalence%20to%20the%20U.S.%20dollar.>

Privacy and Terms of Use

Privacy Policy

The Company's Privacy Policy governs the use of personal information by the Company and its authorized affiliates and contractors in the operation of its business and how the Company uses such personal information. Under the policy, "personal information" means information about an identifiable individual, such as their name, address or contact information (including home telephone number and personal e-mail address). By submitting personal information to the Company or by otherwise using the Company's services, the user is deemed to consent to the collection, use and disclosure of their personal information in accordance with the Privacy Policy. If a user does not agree with some or all of the Privacy Policy, the user must not use the services or submit personal information to the Company. The Privacy Policy sets out how the Company collects personal information and is used for a variety of purposes including the following:

- to create and administer the user account on the services;
- where a user provides consent after requesting access to the Company's Limitless VPN services, to determine the user's hardware capabilities and general system profile in order to optimize available computer resources for task synchronization with a view to permitting the Company and its authorized affiliates and contractors to utilize the processing power of devices across the shared VPN network;
- to share information about the Company, its services, and other products and services with the user;
- to communicate with users regarding changes to services, maintenance, account confirmation, technical support or any security issues;
- to communicate with users regarding inquiries for information or customer service requests or employment opportunities;
- to conduct market research;
- to monitor traffic on the Company's services;
- to determine the future direction of the Company's services, including technical upgrades;
- to provide, monitor, personalize and improve the Company's services;
- to develop new products and services;
- to protect the Company's rights and the rights of other registered users;
- to investigate security breaches, protect against, detect, investigate and prevent potentially fraudulent, unauthorized or illegal activities or cooperate with government and law enforcement authorities in connection with legal matters;
- to aggregate and anonymize personal information; and
- for other purposes related to the relationship between the Company and the user, where the user has provided its consent or as otherwise permitted or required by law.

The Company also shares some of a user's personal information with third parties in order to offer the services to its userbase, including:

- the Company may disclose user personal information to third-party service providers for fraud prevention or for law enforcement purposes;
- protecting the Company's rights and property, including for security breach, loss or fraud prevention, investigation or mitigation purposes;
- protecting the safety of a person or a group of persons;
- with third-party service providers that help the Company to provide its services, including course providers, platform providers, app providers, providers of website hosting, data warehousing, data analysis, event logging, information technology, customer service, payment processing, user analytics, notifications and email delivery and messaging services (including third-party service providers which are engaged by the Company to access and utilize the unused processing power of the devices of users of the Limitless VPN in order to mine cryptocurrencies or perform various background CPU tasks such as research data mining);
- with a third-party, in the event of a change in ownership of all or a part of the Company through some form of merger, purchase, sale, lease or amalgamation or other form of

business combination, provided that the parties are bound by appropriate agreements or obligations which require them to use or disclose personal information in a manner consistent with the use and disclosure provisions of this Privacy Policy;

- other purposes identified when the personal information is collected, or as permitted or required by law; and
- with any third-party, where a user has provided their consent for such disclosure or where disclosure is required or permitted by law.

By submitting personal information to the Company, creating a user account, or otherwise using the Company's services, a user is deemed to consent to the collection, use and disclosure of their personal information in the manner described in the Privacy Policy. To the extent that the Company is required by applicable laws to obtain a user's explicit consent for the collection, use or disclosure of their personal information in accordance with the Privacy Policy, such consent will be requested at the appropriate time. Further, if the Company plans to use or disclose a user's personal information for a purpose not previously identified, the Company will advise the user of that purpose before such use or disclosure. However, the Company may collect, use or disclose a user's personal information without their knowledge or consent where the Company is permitted or required to do so by applicable law or regulatory requirements.

A user may change or withdraw their consent at any time, subject to legal or contractual restrictions and reasonable notice, by contacting the Company's privacy officer. In some circumstances, a change or withdrawal of consent may limit the Company's ability to provide services to a user or their ability to access certain areas of the Company's services.

Generally and in Canada, the Company is required to follow the requirements of provincial privacy laws, such as the *Personal Information Protection Act* (BC), and the federal privacy laws in Canada, namely the *Personal Information Protection and Electronic Documents Act* (Canada). The Company is subject to US state and federal privacy laws. The Company's privacy policy is compliant with applicable Canadian and United States privacy laws. As noted above, personal information is not accessed when a user accesses the Limitless VPN or when a user's latent computer processing power is accessed for monetization purposes. At this time, the Company is not accepting users located in Europe or other jurisdictions as the Company has not considered compliance with the European or UK General Data Protection Regulation or compliance with privacy legislation of other jurisdictions.

Terms of Use - Generally

The Company has a general Terms of Use agreement. The agreement describes a user's rights and responsibilities as a user of the Company's website and related services offered by the Company. Use of the Company's services, including a visit to its website, is deemed to be acceptance of the agreement.

Use of the Company's website and its services are undertaken at a user's own risk and to the extent not prohibited by applicable law, the Company will not be liable for any general, direct, incidental, special, exemplary, consequential, indirect, or punitive damages arising out of a user's access to or use of the website or the Company's services. The agreement states that the Company will not be responsible for late, lost, incomplete, illegible, misdirected or stolen messages, unavailable network connections, failed, incomplete, garbled or delayed computer transmissions, on-line failures, hardware, software or other technical malfunctions or disturbances or any other communications failures or circumstances affecting, disrupting or corrupting communications. If a user is dissatisfied with the Company's website or services or with the terms of use agreement, a user's sole and exclusive remedy is to discontinue using them.

By agreeing to the terms of use, a user agrees to indemnify and save harmless the Company from and against any claim or liability brought against or suffered or incurred by us as a result of a user's use of the Company's website or services. In addition, in the event the Company is made a party to any claim, suit or action relating to or arising from any services offered by the Company that is initiated by a user, which is unsuccessful or initiated by a third party, who is suing a user, the user agrees to reimburse the Company at a reasonable rate for all personnel time and expenses expended by the Company in response to such claim, suit or action including without limitation, all attorney fees and expenses incurred by the Company with

respect to such response. The defence and indemnification obligations survive termination of the terms of use agreement and a user's cessation of use of the Company's website and services.

Terms of Use – Limitless VPN

In addition to the general Terms of Use agreement set out above, use of the Company's Limitless VPN by users also requires agreement with a separate terms of use for the Limitless VPN. Generally speaking, a user is prohibited from undertaking certain actions such as violating any domestic or foreign laws, engaging in unsolicited advertising, engaging in harassing messages, engaging in fraudulent activities, downloading and transmitting any material that infringes the intellectual property rights of third parties, and downloading and transmitting any material that is libelous, defamatory, discriminatory, etc. Similarly, a user is prohibited from scanning for open proxies or open relays, port scanning, storing any data that violates applicable laws, and launching any pop-ups from the Company's services.

By accessing the Limitless VPN, a user acknowledges that a portion of the unused computational power of their computer or other device will join the network infrastructure of the Limitless VPN to perform distributed computational processing tasks. When a user connects to the Limitless VPN network infrastructure, a process is used to evaluate the user's unused computational power after the user is notified that this process will be used and the user has provided consent. The Company intends to use third party service providers to access and utilize unused processing power of the computer and devices in the Company's userbase to mine cryptocurrency or perform various background CPU tasks ("**Computational Tasks**"). By using the Limitless VPN, a user acknowledges that the third party service providers are authorized to perform the Computational Tasks and that the user will be subject to the terms, conditions and policies of the third party service providers. The Computational Tasks are not part of the services provided by the Company.

Business Objectives and Milestones

The Company expects to accomplish the following business objectives and milestones over the 12-month period following the Change of Business:

| Business Objective | Action | Delivery Date | Estimated Costs |
|--|---|----------------------|------------------------|
| Commencement of internal monetization activities | <ul style="list-style-type: none"> • Perform internal testing and audit • Enter into third party software licenses | 3 months | \$50,000 |
| Grow Company's userbase to 100,000 registered active users | <ul style="list-style-type: none"> • Co-market and develop referral system • Launch special events • Create marketing promotions | 10 months | \$50,000 |
| Limitless VPN Enhancements – 2G | <ul style="list-style-type: none"> • Perform security audits • Develop Peer to Peer networking upgrades | 12 months | \$50,000 |
| Total | | | \$150,000 |

Available Funds and Principal Purposes

As of March 24, 2023, the Company had approximately \$530,000 in working capital.

The Company does not expect to require additional funds to meet its short-term requirements outlined above and to complete its objectives and expansion plans for the next 12 months. If necessary, the Company

expects it will fund any additional capital requirements beyond the next 12 months from future financing activities. There can be no assurance that additional funding required by the Company will be available on acceptable terms or at all.

As of March 24, 2023, the Company had working capital of approximately \$530,000 available for the principal purposes of achieving its business objectives and milestones for the next 12 month period, general and administrative expenses and unallocated working capital. Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Company to achieve its objectives. The Issuer may also require additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding required by the Company will be available on acceptable terms or at all. It is anticipated that the available funds will be sufficient to satisfy the Company's objectives for the forthcoming 12-month period. The amounts shown in the table below are estimates only and are based on the information available to the Company as of the date of this Listing Statement.

| Estimated Outlay from date of Listing Statement and 12 Months thereafter | |
|---|------------------------------|
| Use of Funds | Anticipated Cost (\$) |
| Business Objectives and Milestones (as set out in table above) | \$150,000 |
| Salaries: Management | \$250,000 |
| General and Administrative Expenses (excluding "Salaries" above): Shared rent and staff - \$45,000 Accounting & Legal - \$30,000 Transfer agent fees - \$15,000 Investor relations - \$10,000 | \$100,000 |
| Unallocated working capital | \$30,000 |
| TOTAL | \$530,000 |

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those referred to under Risk Factors. However, it is anticipated that the available funds will be sufficient to satisfy the Company's objectives over the next 12 months. The Issuer's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

Employees and Consultants

As of the date of this Information Circular, the Company had three employees including Lucas Russell, the Company's President & CEO, and Nilda Rivera, the Company's CFO & Corporate Secretary. The Company's future success will depend, in part, on its ability to continue to attract, retain and motivate highly qualified technical and management personnel. The Company's management oversees all responsibilities in the areas of corporate administration, business development, and research. The Company also engages

consultants on an as-needed-basis to provide specific expertise in areas of product design and development and other business functions.

Specialized Skill and Knowledge

The necessary specialized skill and knowledge required by the Company as a technology company are available from the Company's consultants and Mr. Russell, the President and CEO of the Company. Mr. Russell has specialized expertise and experience with cryptocurrency related technologies such as application development, blockchain development, custodianship, third-party platforms and fiat currency conversion. Specifically, Mr. Russell has consulting experience with a blockchain project for NFTUS (www.nftus.com), a private company, whereby he managed the development and creation of a technology application that integrated blockchain technology on a non-fungible token exchange platform. He also has employment experience on a separate blockchain project for NFinTi Inc. (OTC: NFTN), whereby he managed the development of blockchain technology to create a non-fungible token exchange. Mr. Russell also has management experience of confidential projects for a private company in leading a team of developers and consultants to develop screening and due diligence processes to qualify participants and users of various blockchain software and processes. On December 29, 2022, Mr. Russell was appointed as a director of Looking Glass Labs Ltd., a reporting issuer listed on the NEO Exchange and the Aquis Exchange in London, England. Looking Glass Labs Ltd. is a leading Web3 platform specializing in immersive metaverse environments, play-to-earn tokenization and blockchain monetization strategies. To the extent additional specialized skill and knowledge are required, the Company retains outside consultants.

Competition

The Company's business, including the growth of its userbase and the monetization strategies thereof, currently consists of its Limitless VPN. Given the size and expected growth rate for VPNs, the industry is very competitive with the number of competitors growing rapidly. Increased competition is expected to result in a higher cost of customer acquisition. The Company is competing with small, regional competitors and large corporations such as Microsoft Corporation, Cisco Systems Inc., IBM, Symantec Corporation, McAfee Inc., Google and Adobe Captivate Prime, to name a few as well as the following smaller to mid-size competitors: Absorb; Cyber Ghost; Express VPN; IP Vanish; LearnUpon; SurfShark; and Nord VPN.

The Company believes that one of its competitive advantages is that it is able to offer its VPN product without a cash outlay to its userbase.

Intangible Properties

The Company acquired certain development stage intellectual property assets from Victory Square Technologies Inc. ("**Victory Square**") pursuant to the Asset Purchase Agreement dated March 15, 2021 (the "**Asset Purchase Agreement**"), which largely consisted of trade secrets, source code, and know how that formed the basis of the Limitless VPN and related decentralized storage technologies. Following such acquisition, the Company developed the assets into a marketable product for use by the public. The Company relies on a combination of contractual provisions and confidentiality agreements designed to ensure its intellectual property is protected.

The Company's website is <https://cloud9web3.com/>. The Company also owns the following domains, under the "Limitless Technologies" brand: limitlessvpn.com.

Cycles

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

Economic Dependence

The development team advancing the Limitless VPN and the related cryptocurrency monetization technologies and optimization of the Hash Rate consists of independent contractors, who are paid to develop and maintain the Limitless VPN.

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 completed during or proposed for the current financial year.

RISK FACTORS

An investment in the Company's securities is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment.

The following discussion summarizes the principal risk factors that apply to the Company's business following the proposed Change of Business and that may have a material adverse effect on the Company's business following the Change of 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 the Company's proposed Change of Business, the legal and economic climate in which it operates and its present stage of development and proposed operations, the Company will be 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 the Company's business following the Change of Business and financial condition and the future trading price of the Common Shares.

Reliance on Management

The success of the Company 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 the Company'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.

Cybersecurity

The Company relies on digital and internet technologies to conduct and expand its operations, including reliance on information technology to process, transmit and store sensitive and confidential data, including

personally identifiable information, and proprietary and confidential business performance data. As a result, the Company and/or its customers are exposed to risks related to cybersecurity. Such risks may include unauthorized access, use, or disclosure of sensitive information (including confidential private information), corruption or destruction of data, or operational disruption resulting from system impairment (e.g., malware). Third parties to whom the Company outsources certain functions, or with whom their systems interface, are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider or partner could harm the Company's business even if the Company does not control the service that is attacked.

The Company's operations depend, in part, on how well it protects networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, damage to hardware, computer viruses, hacking and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. A compromise of the Company's information technology or confidential information, or that of the Company's userbase and third parties with whom the Company interacts, may result in negative consequences, including the inability to onboard new users, reputational harm affecting customers and/or investor confidence, potential liability under privacy, security, consumer protection or other applicable laws, regulatory penalties and additional regulatory scrutiny, any of which could have a material adverse effect on the Company's business, financial position, results of operations or cash flows. As the Company has access to sensitive and confidential information, including personal information, and since the Company may be vulnerable to material security breaches, theft, misplaced, lost or corrupted data, programming errors, employee errors and/or malfeasance (including misappropriation by departing employees), there is a risk that sensitive and confidential information, including personal information, may be disclosed through improper use of Company systems, software solutions or networks or that there may be unauthorized access, use, disclosure, modification or destruction of such information. The Company's ongoing risk and exposure to these matters is partially attributable to the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage, malfunction, human error, technological error or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. There could also be elevated risk associated with cybersecurity matters as a result of COVID-19.

As with any computer code generally, flaws in cryptocurrency codes of the Company's third-party custodians may be exposed by malicious actors. To date, several hackings of third-party custodians have become public knowledge whereby hackers have exploited security vulnerabilities in computer code used by cryptocurrency exchanges, digital wallets and companies that hold cryptocurrency to steal the equivalent of hundreds of millions of dollars based on current exchange rates. Such events would have a material adverse effect on the Company's ability to continue as a going concern, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

Privacy Laws

The Company 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 the Company 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 the Company 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 the Company's platform which could adversely affect its business.

Third Parties

The Company relies heavily on third parties such as its IT and cryptocurrency mining service providers to provide some of its services. If these third parties were unable or unwilling to provide these goods and services in the future due to COVID-19 or other events that cause an anomalous disruption in supply or demand of such services, the Company would need to obtain such services from other providers if they are available. This could cause the Company to incur additional costs or cause material interruptions to its business until these services are replaced if possible.

The Company intends to use third-party custodians and sub-custodians to hold its cryptocurrencies in digital wallets. While not currently anticipated, the Company could have a high concentration of its digital assets in one location or with one custodian or sub-custodian which may be prone to losses arising out of hacking, loss of passwords, compromised access credentials, malware or cyberattacks.

Cryptocurrencies held by certain custodians and sub-custodians may be transferred into "cold storage" in which case there could be a delay in retrieving such digital assets. The Company may also incur costs related to the third-party custody and storage of its cryptocurrencies. Any security breach, incurred cost or loss of cryptocurrencies associated with the use of a custodian or sub-custodian could materially and adversely affect the Company's investment and trading strategies, the value of its crypto assets and the value of any investment in the Company.

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 technology industry. 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 technology industry 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 VPN 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 the Company's technology or that the performance or reliability of the technology will not be adversely affected by continued growth.

Technological change

The Company operates in a highly competitive environment where its software and other products and services are subject to rapid technological change and evolving industry standards. The Company's future success partly depends on its ability to acquire, design and produce new products and services, deliver enhancements to its existing products and services, accurately predict and anticipate evolving technology and respond to technological advances in its industry and its customers' increasingly sophisticated needs. There is a risk that similar products which may include features more appealing to customers may be developed after the Limitless VPN has established itself in the North American markets; and that other

products competing with the Company's Limitless VPN may use technologies not yet incorporated in the Company's business.

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 operate 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 the fact it has not generated revenues to date, and the need to raise additional funding to continue operations. The Company'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 had no earnings or cash flow. 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 including the BCBCA. 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.

Risks Related to Insurance

The Company intends to insure its operations and intellectual property 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 coverage. The occurrence of an event that is not covered or not fully covered by insurance could have a material adverse effect on the Company.

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.

Following the Change of Business, any cryptocurrencies held by Newton and NiceHash on behalf of the Company, and potentially by Kraken under the Argent Monetization Strategy, are not insured, and Newton, NiceHash, Kraken and Argent Crypto do not bear any liability for loss or theft of cryptocurrencies held in such accounts.

Newton has obtained a guarantee from CoinCover for 100% of the client assets held with sub-custodian Fireblocks, excluding losses arising from the gross negligence, willful misconduct or fraud of an employee or representative of Newton. The guarantee covers the theft or loss of crypto assets and also includes a software technology solution which monitors and limits transactions and prevents funds from being maliciously taken from Fireblocks wallets. The total aggregated cover amount under the CoinCover guarantee is currently over US\$19.5 million and the coverage amount is reviewed periodically by Newton.³² Additionally, sub-custodian Coinbase Custody maintains US\$320 million of insurance (pre-incident and overall) which covers losses of assets held by Coinbase Custody on behalf of its customers due to third party hacks, copying or theft of private keys, insider theft, or dishonest acts by the Coinbase Custody's employees or executives and loss of keys.³³ Newton expressly limits its liability in all other instances of theft and loss in its Terms of Use. In the event of theft or loss of such assets, the Company would have little recourse to recover the loss of value of such assets.

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 the Company 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 the Company'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

³² Newton Terms of Use, *supra* note 26.

³³ Newton Risk Disclosure, *supra* note 27.

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 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 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 the Company'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 Listing Statement are, and will be, amplified by the COVID-19 pandemic.

Intellectual Property

The Company'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, the Company 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 on the Company's 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 the Company's business, financial condition and operations.

Defects or Disruptions in Technology Platforms

Defects or disruptions in the technology platforms and network infrastructure the Company 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 the Company'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. The Company 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 the Company'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.

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 user 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 privacy for its user base. 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.

The Company may write-off intangible assets

The carrying value of the Company's intangible assets is subject to periodic impairment testing. Under current accounting standards, intangible assets are tested for impairment on a recurring basis and the Company may be subject to impairment losses as circumstances change after an acquisition. The circumstances leading to an impairment loss may also have a material adverse impact on the Company's business, financial condition, results of operations, or cash flows. If the Company records an impairment loss related to its intangible assets, it could have a material adverse effect on the trading price of the Common Shares.

COVID-19 Pandemic and Other Global Pandemics and Events

The Company's business, results of operations and financial position may be affected by the COVID-19 pandemic. The efforts to contain COVID-19 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 our employees' ability to perform work and operate the Company, may affect the financial viability of the Company'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 the Company's business, results of operations and financial position.

Dividends

The Company 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 the Company'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.

Failure of Cryptocurrency Exchanges

The Company is not acting and will not act as an exchange, is not offering and will not offer coins or tokens, nor is it acting nor will it act as a platform that facilitates the trading of crypto assets that are securities or instruments or contracts involving crypto assets. When cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, such events could result in a reduction in cryptocurrency prices or confidence and impact the Company's business and have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the business, prospects and operations of the Company.

Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, commodities or currencies. For example, during the past four years, a number of cryptocurrency exchanges have closed due to fraud, business failure or security breaches. In early 2019, the QuadrigaCX trading platform ("**Quadriga**") ceased operations, which the Ontario Securities Commission attributed largely to fraudulent activity of its co-founder and CEO, Gerald Cotton. Quadriga subsequently filed for creditor protection. Clients of Quadriga were owed approximately an aggregate of \$215 million and only approximately \$46 million was recovered to pay such clients. In November 2022, the FTX Exchange ("**FTX**") trading platform filed for Chapter 11 bankruptcy protection in the United States. The collapse of FTX meant the company was unable to pay \$8 billion in liabilities to as many as 1 million creditors, leaving many investors with no recourse to get their money back. The former CEO of FTX, Sam Bankman-Fried, was indicted in New York on multiple counts of securities fraud and money laundering. The size and scope of these events, combined with the underlying fraudulent and criminal activity, has caused cryptocurrency and other digital asset values to decline, increased hesitancy among investors to invest in cryptocurrencies, and increased the regulatory scrutiny of companies affiliated with cryptocurrencies. The fallout from these events, and the possibility of similar events occurring in the future, would have a material adverse effect on the business, prospects, or operations of the Company and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

While smaller exchanges are less likely to have the infrastructure and capitalization that may provide larger exchanges with some stability, larger exchanges may be more likely to be appealing targets for hackers and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems) and may be more likely to be targets of regulatory enforcement action. In the event the Company faces fraud, security failures, operational issues or similar events such factors would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the business, prospects and operations of the Company.

There is also no guarantee that when the Company or a custodian attempts to convert cryptocurrencies to fiat currencies on an exchange platform that a corresponding buy order for such cryptocurrency will be available at any given time. This could result in the Company being unable to convert its cryptocurrency into fiat currency at a desired conversion rate, or at all, and would have a material adverse effect on the business, prospects, or operations of the Company and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

Cryptocurrency Regulatory Changes

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies, with certain governments deeming them illegal while others have allowed their use and trade.

Governments may in the future curtail or outlaw the acquisition, use or redemption of cryptocurrencies. Ownership of, holding or trading in cryptocurrencies may then be considered illegal and subject to sanction. Governments may also take regulatory action that may increase the cost and/or subject cryptocurrency companies to additional regulation. The effect of any future regulatory change on the Company's business

or any cryptocurrency that may impact the Company's business is impossible to predict, but such change could be substantial and would have a material adverse effect on the business, prospects and operations of the Company.

Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. Similar actions by governments or regulatory bodies could result in restriction of the acquisition, ownership, holding, selling, use or trading in the Company's securities. Such a restriction could have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all or raise new capital, which would have a material adverse effect on the business, prospects or operations of the Company and could harm investors in the Company's securities.

On-going and future regulatory actions and regulatory change related to the Company's business or cryptocurrencies may impact its ability to continue to operate and such actions could affect the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the business, prospects or operations of the Company.

Current and future legislation and rulemaking and other regulatory developments, including interpretations released by a regulatory authority, may impact the manner in which cryptocurrencies are viewed and regulated or treated for classification and clearing purposes. The Company cannot be certain as to how future regulatory developments will impact the treatment of cryptocurrencies under the law. If the Company determines not to comply with such additional regulatory and registration requirements, the Company may seek to cease certain of its operations or be subjected to fines, penalties and other governmental action. Any such action may adversely affect an investment in the Company as well as its ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

Uncertain Future of Cryptographic and algorithmic protocols

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may occur and is unpredictable. The factors include, but are not limited to:

- continued worldwide growth in the adoption and use of cryptocurrencies;
- governmental and quasi-governmental regulation of cryptocurrencies and their use, or restrictions on or regulation of access to and operation of the network or similar cryptocurrency systems;
- changes in consumer demographics and public tastes and preferences;
- the maintenance and development of the open-source software protocol of the network;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- general economic conditions and the regulatory environment relating to digital assets; and
- negative consumer sentiment and perception of Monero and USD Coin, and cryptocurrencies generally.

Such events would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the business, prospects or operations of the Company and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians, and could harm investors in the Company's securities.

Banks and financial institutions may not provide banking services

A number of companies that provide Bitcoin and/or other cryptocurrency-related services have been unable to find banks or financial institutions that are willing to provide them with bank accounts and other services. Similarly, a number of companies and individuals or businesses associated with cryptocurrencies may have had and may continue to have their existing bank accounts closed or services discontinued with financial institutions. In this regard, the Company also may be unable to obtain or maintain these services.

The difficulty that many businesses that provide Bitcoin and/or other cryptocurrency-related services have and may continue to have in finding banks and financial institutions willing to provide them services may be decreasing the usefulness of cryptocurrencies as a payment system and harming public perception of cryptocurrencies and could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of cryptocurrencies as a payment system and the public perception of cryptocurrencies could be damaged if banks or financial institutions were to close the accounts of businesses providing Bitcoin and/or other cryptocurrency-related services. This could occur as a result of compliance risk, cost, government regulation or public pressure. The risk applies to securities firms, clearance and settlement firms, national stock and commodities exchanges, the over the counter market and the Depository Trust Company, which, if any of such entities adopts or implements similar policies, rules or regulations, could result in the inability of the Company investors to open or maintain stock or commodities accounts, including the ability to deposit, maintain or trade the Company's securities. Such factors would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the business, prospects or operations of the Company and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians, and could harm investors.

Geopolitical events

Crises, including the recent invasion of Ukraine by Russia and increased political tension between China and Taiwan, may motivate large-scale purchases of cryptocurrencies which could increase the price of cryptocurrencies rapidly. This may increase the likelihood of a subsequent price decrease as crisis-driven purchasing behavior wanes, adversely affecting the value of any cryptocurrencies held by the Company's custodians and sub-custodians. Such risks are similar to the risks of purchasing commodities in general uncertain times, such as the risk of purchasing, holding or selling gold.

As an alternative to gold or fiat currencies that are backed by central governments, cryptocurrencies, which are relatively new, are subject to supply and demand forces. How such supply and demand will be impacted by geopolitical events is uncertain but could be harmful to the Company and investors in the Company's securities. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of cryptocurrencies either globally or locally. Such events would have a material adverse effect on the the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the business, prospects or operations of the Company and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

Acceptance of cryptocurrency

Currently, there is a relatively small use of Bitcoins and/or other cryptocurrencies in the retail and commercial marketplace for goods or services. In comparison there is relatively large use by speculators contributing to price volatility.

The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. Such lack of acceptance or decline in acceptances would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

Political or economic risks

As an alternative to fiat currencies that are backed by central governments, digital assets such as Bitcoins and Ethereum, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of Bitcoins and Ethereum and other cryptocurrencies either globally or locally. Large-scale sales of Bitcoins and Ethereum or other cryptocurrencies would result in a reduction in their value and could adversely affect the Company. Such circumstances would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians, and could harm investors.

Illegality

Although currently cryptocurrencies and other digital assets generally are not regulated or are lightly regulated in most countries, including the United States and Canada, one or more countries such as China and Russia may take regulatory actions in the future that could severely restrict the right to acquire, own, hold, sell or use these digital assets or to exchange for fiat currency. Such restrictions may adversely affect the Company and on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

Lack of liquidity

Digital assets that are represented and trade on a ledger-based platform may not necessarily benefit from viable trading markets. Stock exchanges have listing requirements and vet issuers, requiring them to be subjected to rigorous listing standards and rules and monitoring investors transacting on such platform for fraud and other improprieties. These conditions may not necessarily be replicated on a distributed ledger platform, depending on the platform's controls and other policies. The more lax a distributed ledger platform is about vetting issuers of digital assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of digital assets. These factors may decrease liquidity or volume, or increase volatility of digital assets trading on a ledger-based system, which may adversely affect the Company. Such circumstances would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians, and could harm investors.

The Company has an evolving business model

As FinTech and blockchain technologies become more widely available, the Company expects the services and products associated with them to evolve. As a result, to stay current with the industry, the Company's business model may need to evolve as well. From time to time, the Company may modify aspects of its business model relating to its product mix and service offerings. The Company cannot offer any assurance that these or any other modifications will be successful or will not result in harm to the business. The Company may not be able to manage growth effectively, which could damage the Company's reputation, limit its growth and negatively affect its operating results. Such circumstances would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians, and could harm investors.

Competition

Many of the Company's current and potential competitors may have greater brand recognition, longer operating histories, larger customer bases and significantly greater financial, marketing and other resources than the Company does. Accordingly, these competitors may be able to spend greater amounts on product development, marketing and distribution. This advantage could enable the Company's competitors to acquire larger market share and develop and offer more competitive products and services. Such competition could

adversely impact the Company's ability to attain the financing necessary for it to develop its business plan. In the face of competition, the Company may not be successful in sufficient market share to make its business profitable.

Cryptocurrency loss, theft or restriction on access

There is a risk that some or all of the cryptocurrencies the Company's custodians and sub-custodians hold from time to time could be lost or stolen. Access to the Company's cryptocurrencies through its custodians and sub-custodians from time to time could also be restricted by cybercrime (such as a denial of service attack) against the custodian or sub-custodian which holds cryptocurrencies for the Company. Any of these events may adversely affect the Company's operations and, consequently, the Company's investments and profitability.

Cryptocurrencies are controllable only by the possessor of both the unique public and private keys relating to the local or online digital wallet in which the cryptocurrencies are held, which wallet's public key or address is reflected in the network's public blockchain. The Company's cryptocurrencies will be held in custodial wallets provided by the Company's custodians or sub-custodians. These custodians and sub-custodians will hold the private keys required to access the Company's cryptocurrencies and will be responsible for safeguarding the private keys relating to such digital wallets. To the extent such private keys are lost, destroyed or otherwise compromised, the Company will be unable to access the cryptocurrencies held by its custodians and sub-custodians from time to time and such private keys will not be capable of being restored by any network. Any loss of private keys relating to digital wallets used to hold the Company's cryptocurrencies from time to time would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

Incorrect or fraudulent coin transactions may be irreversible

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred coins may be irretrievable. As a result, any incorrectly executed or fraudulent cryptocurrency transactions could adversely affect the Company's investments and assets.

Cryptocurrency transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction. In theory, cryptocurrency transactions may be reversible with the control or consent of a majority of processing power on the network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of a coin or a theft of coin generally will not be reversible and the Company may not be capable of seeking compensation for any such transfer or theft. It is possible that, through computer or human error, or through theft or criminal action, the Company's cryptocurrencies could be transferred in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts. Such events would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians.

Accounting and audit risks

Since there has been limited precedence set for the financial accounting of digital assets, it is unclear how the Company will be required to account for cryptocurrency transactions or assets. Furthermore, a change in regulatory or financial accounting standards could result in the necessity to restate the Company's financial statements. Such a restatement could negatively impact the Company's business, prospects, financial condition and results of operation. Such circumstances would have a material adverse effect on the Company's ability to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the Company's business, prospects or operations and potentially the value of any cryptocurrencies held by the Company's custodians and sub-custodians, and could harm investors.

Decreased rewards for mining a particular crypto asset

When the Company begins offering its Hash Rate for rent on the NiceHash platform, the Hash Rate will be used by NiceHash users to mine Monero. The Company is not aware of any risk of decreased rewards for mining Monero in particular. As outlined above in “Monetization of Limitless VPN” under Section 4.1 Narrative Description of Business, the Company will be paid in USD Coin by NiceHash in exchange for providing the Hash Rate to NiceHash users to mine Monero. USD Coin is a stablecoin that attempts to maintain a peg to the US Dollar at a 1:1 ratio. USD Coin is also a fully-reserved stablecoin, meaning every USD Coin on the internet is 100% backed by cash and short-dated US treasuries held in the custody of US financial institutions, including BlackRock and BNY Mellon. USD Coin was developed by Circle Internet Financial, LLC (“**Circle**”), which is a peer-to-peer payments technology company licensed as a Money Transmitter by the New York State Department of Financial Institutions. Circle is an arm’s length party to the Company. Circle’s financial statements are audited annually and subject to review by the US SEC.³⁴ Given its design to maintain a peg to the US dollar, USD Coin is less vulnerable to fluctuations in value due to speculation in cryptocurrency markets. However, USD Coin is not immune to price fluctuations and may lose its peg against the US dollar, as was the case following the collapse of Silicon Valley Bank in March 2023. On March 10, 2023, USD Coin fell as low as \$0.88 US when it was revealed that some of the reserves backing USD Coin were held at Silicon Valley Bank.³⁵ While USD Coin quickly rebounded to regain its peg, events such as this may negatively affect public perception of USD Coin and stablecoins in general, and could lead to stricter regulation both in Canada and abroad as a result. USD Coin is also still susceptible to normal currency fluctuations and all factors that regularly affect fluctuations in fiat currencies. These may include global supply and demand, interest rates, exchange rates, inflation or deflation and global political and economic conditions. USD Coin will also be at risk of theft or loss due to business failure or security breaches of the custodial service or trading platform where the USD Coin is held. The amount of USD Coin received from NiceHash in exchange for renting the Hash Rate through NiceHash will also depend on the number of NiceHash users who use the Hash Rate to mine Monero. A decrease in the value of Monero may reduce the demand for Monero, which may subsequently reduce the volume of NiceHash users who are willing to use the Hash Rate to mine Monero. At any given time, there may be no buy orders available on NiceHash to match with the Company’s offer to provide the Hash Rate to mine Monero, which would result in the Company not being able to receive USD Coin in exchange for its Hash Rate during that time. This could ultimately reduce the amount of USD Coin that the Company receives from NiceHash. The Company has not hedged the conversion of any of its cryptocurrency revenue or future mining of cryptocurrencies. For a step-by-step outline of the NiceHash renting process, see “*Monetization of Limitless VPN*” under Section 4.1 Narrative Description of Business.

Should the Company opt to pursue the Argent Monetization Strategy in the future, Argent Crypto will use the Hash Rate to mine the cryptocurrency Monero. As stated above, the Company is not aware of any risk of decreased rewards for mining Monero in particular. The amount of revenue the Company is able to receive from mining operations performed by Argent Crypto will depend on the market demand for Monero. Unfavourable and unforeseen market conditions may cause decreased rewards for mining any particular crypto asset, including Monero. Cryptocurrencies have a limited history and the fair value historically has been very volatile. Historical performance of cryptocurrencies are not indicative of their future price performance. For a step-by-step outline of the Argent Crypto mining process, see “*Monetization of Limitless VPN*” under Section 4.1 Narrative Description of Business.

Availability and/or cost of electricity

The Company does not anticipate any material risk associated with electricity use or availability. The Company’s VPN will avoid the need for dedicated data centers, which are traditionally responsible for excessive electricity use in the crypto space. The electrical usage footprint will be little more than what each individual VPN client is already using within their home.

³⁴ USD Coin Home Page, *supra* note 32.

³⁵ CNN, [https://www.cnn.com/2023/03/11/business/stablecoin-circle-silicon-valley-bank/index.html#:~:text=Stablecoin%20USD%20Coin%20\(USDC\)%20lost,held%20at%20Silicon%20Valley%20Bank.](https://www.cnn.com/2023/03/11/business/stablecoin-circle-silicon-valley-bank/index.html#:~:text=Stablecoin%20USD%20Coin%20(USDC)%20lost,held%20at%20Silicon%20Valley%20Bank.)

APPROVAL AND VOTING OF CHANGE OF BUSINESS

At the Meeting, or any adjournment thereof, Shareholders will be asked to consider, and if thought fit, pass, with or without variation, the Change of Business resolution in the form set out below approving the proposed Change of Business. The approval of the Change of Business resolution will require the affirmative vote of a majority (50% + 1) of the votes cast by Shareholders at the Meeting, either in person or by proxy.

The following is the text of the Change of Business resolution to be considered at the Meeting:

to consider and, if thought fit, to pass, with or without modification, an ordinary resolution to approve a change of the Company's business to a technology issuer focused on developing and offering peer-to-peer or decentralized infrastructure products including its technology enabled virtual private network ("**VPN**") that will monetize its products by allowing third parties to use the hash rate of the VPN's userbase to mine cryptocurrencies as further described in the Information Circular under the heading "*Change of Business – Description of Proposed Business*"; and

"IT IS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. subject to the Company fulfilling all necessary regulatory requirements and approvals from the Canadian Securities Exchange, the Company's proposed Change of Business be and is hereby authorized and approved, whereby the Company will change its business to a technology issuer focused on developing and offering peer-to-peer or decentralized infrastructure products including its Limitless VPN that will monetize its products by allowing third parties to use the hash rate of the VPN's userbase to mine cryptocurrencies all as further described in the Information Circular of the Company dated March 24, 2023;
2. the Board of Directors of the Company (the "**Board**") may at any time prior to the closing date of the Change of Business, elect not to proceed with such matters without further approval of, or notice to, the holders of the common shares of the Company, should the Board consider it appropriate to do so, in its discretion; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution."

SECTION 4 – STATEMENT OF EXECUTIVE COMPENSATION

GENERAL PROVISIONS

For the purpose of this Statement of Executive Compensation:

"**Board**" means the Board of Directors of the Company.

"**CEO**" means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.

"**CFO**" means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.

"**Company or Cloud Nine**" means Cloud Nine Web3 Technologies Inc.

"**Committee**" means the Compensation Committee of the Board.

“**COO**” means each individual who acted as chief operating officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.

“**Exchange**” means the Canadian Securities Exchange.

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Company’s three most highly compensated executive officers, including any of the Company’s subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than C\$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

“**Awards**” means the Company’s Incentive Equity Awards pursuant to its Equity Incentive Plan.

“**Plan**” means the Company’s Equity Incentive Plan as approved by the Cloud Nine Board of Directors on July 15, 2021 and by the shareholders on September 14, 2021.

During the year ended September 30, 2022, based on the above definition, the NEOs of the Company were:

| Name | Title | Dates |
|---------------|---------------------------------------|------------------------------|
| Lucas Russell | Chief Executive Officer and President | February 14, 2022 to present |
| Nilda Rivera | CFO and Corporate Secretary | February 15, 2021 to present |

During the year ended September 30, 2021, based on the above definition, the NEOs of the Company were:

| Name | Title | Dates |
|----------------|--|------------------------------------|
| Allan Larmour | Chief Executive Officer (“Former CEO”) | July 2017 to February 14, 2022 |
| Sefton Fincham | President (“Former President”) | April 1, 2021 to February 14, 2022 |
| Nilda Rivera | CFO and Corporate Secretary | February 15, 2021 to present |

NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

The compensation of the Company’s directors and Named Executive Officers is determined by the Board upon the recommendations of the Committee. The Committee is composed of three directors from the Board, Kant Trivedi, John Bean and Anthony Zelen. All of the members of the Committee are independent director within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees* and have experience setting compensation for executives in companies of similar size to the Company.

NEO Compensation

The Company does not have a formal compensation program. However, the Committee meets to discuss and determine the recommendations that it will make to the Board regarding management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (d) ensure that the total

compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a technology company without a history of earnings.

The Committee considers and evaluates executive compensation levels using various relevant factors, including the expected nature and quantity of duties and responsibilities, individual and corporate performance, comparison with compensation paid by other issuers of comparable size and nature, the overall financial strength of the Company and the availability of financial resources. The Committee recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility.

Currently, the principal components of the Company's executive compensation packages are base remuneration and long-term incentives in the form of equity incentive awards.

Base remuneration is used to provide the NEOs a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

All awards consisting of restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**"), all together (the "**Awards**") are governed by the Company's 2021 Equity Incentive Plan which was approved by the Shareholders at the Company's annual general and special meeting on September 14, 2021. The granting of Awards provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. The Awards are generally granted to executive officers at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of Awards is appropriate, and if so, the number of Awards that should be granted, consideration is given to: the number and terms of outstanding Awards held by the NEO; current and expected future performance of the NEO; the potential dilution to shareholders and the cost to the Company; general industry standards and the limits imposed by the terms of the Plan and the Exchange. The Company considers the granting of Awards to be a particularly important element of compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's Awards, including vesting provisions and exercise prices, are governed by the terms of the Plan which is described under the heading below "**Equity Incentive Plan**".

The Committee considers the implications and risks of the Company's compensation policies and practices as a factor in assisting the Board in approving and monitoring guidelines and practices regarding the compensation and benefits of officers. In particular, the Committee considers the impact on NEOs and other senior executives to ensure that they do not take undue risks. The Committee has not identified any risks in the Company's existing compensation policies and practices that it believes would be reasonably likely to have a material adverse effect on the Company.

Director Compensation

The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

The Company had no arrangements, standard or otherwise, pursuant to which directors were compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the financial year ended September 30, 2021, or subsequently, up to and including the date of this Information Circular with the exception of stock-based compensation as detailed in this Information Circular. The quantity and quality of Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of Awards to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent director(s) with significant input into compensation decisions.

NEO AND DIRECTOR COMPENSATION

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the three most recently completed financial years:

| Table of Compensation excluding Compensation Securities | | | | | | | |
|---|---------------------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and Position | Year ⁽¹⁾ | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of Perquisites (\$) | Value of all other Compensation (\$) | Total Compensation (\$) |
| Allan Larmour ⁽⁴⁾ Director and former CEO, former President | 2022 | Nil | Nil | Nil | Nil | 34,595 | 34,595 |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2020 | 60,000 | Nil | Nil | Nil | 4,940 | 64,940 |
| Sefton Fincham ⁽⁹⁾ Former President | 2022 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |
| Nilda Rivera ⁽⁸⁾ CFO and Corporate Secretary | 2022 | 176,106 | Nil | Nil | Nil | 92,281 | 268,387 |
| | 2021 | 129,038 | Nil | Nil | Nil | 49,304 | 178,342 |
| | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |
| Lucas Russell ⁽¹³⁾ CEO and President | 2022 | 80,000 | Nil | Nil | Nil | 205,800 | 285,800 |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |
| Kulwant Sandher ⁽⁵⁾ Former CFO and Director | 2022 | Nil | Nil | Nil | Nil | 34,595 | 34,595 |
| | 2021 | 22,500 | Nil | Nil | Nil | Nil | 22,500 |
| | 2020 | 29,663 | Nil | Nil | Nil | 2,964 | 32,627 |
| John Bean ⁽²⁾⁽³⁾⁽¹¹⁾ Director | 2022 | Nil | Nil | Nil | Nil | 9,456 | 9,456 |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |
| Anthony Zelen ⁽²⁾⁽³⁾⁽¹²⁾ | 2022 | Nil | Nil | Nil | Nil | 14,554 | 14,554 |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |
| Kant Trivedi ⁽²⁾⁽³⁾⁽¹⁰⁾ Director | 2022 | Nil | Nil | Nil | Nil | 44,555 | 44,555 |
| | 2021 | 50,280 | Nil | Nil | Nil | 49,304 | 99,584 |
| | 2020 | Nil | Nil | Nil | Nil | Nil | Nil |

| Table of Compensation excluding Compensation Securities | | | | | | | |
|---|---------------------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and Position | Year ⁽¹⁾ | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of Perquisites (\$) | Value of all other Compensation (\$) | Total Compensation (\$) |
| Peter Lee ⁽⁶⁾ Former Director | 2022 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2020 | Nil | Nil | Nil | Nil | 2,964 | 2,964 |
| Dalton Larson ⁽⁷⁾ Former Director | 2022 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2020 | Nil | Nil | Nil | Nil | 4,940 | 4,940 |

Notes:

- (1) Financial year ending September 30.
- (2) Member of audit committee.
- (3) Member of compensation committee.
- (4) Mr. Larmour was appointed as a director of the Company on July 7, 2017 and as President and CEO on October 18, 2017. Mr. Larmour resigned as President on March 31, 2021 and resigned as CEO of the Company on February 14, 2022.
- (5) Mr. Sandher was appointed as a director of the Company on December 9, 2015 and as CFO on July 1, 2019. Mr. Sandher resigned as CFO on February 15, 2021. Compensation for 2020 reflected Mr. Sandher's fees for the period October 1, 2019 to September 30, 2020. Compensation for 2021 reflected Mr. Sandher's fees for the period October 1, 2019 to February 15, 2021. Monthly professional fees were paid to Hurricane Corporate Services Ltd., a company controlled by Kulwant Sandher.
- (6) Mr. Lee was appointed as a director of the Company on July 1, 2019 and resigned on February 14, 2022.
- (7) Mr. Larson was appointed as a director of the Company on April 30, 2015 and resigned on August 3, 2021.
- (8) Ms. Rivera was appointed as CFO and Corporate secretary of the Company on February 15, 2021.
- (9) Mr. Fincham was appointed as President of the Company on April 1, 2021 and resigned on February 14, 2022.
- (10) Mr. Trivedi was appointed as a director of the Company on February 15, 2021. Compensation for 2021 reflected Mr. Trivedi's consulting fees for the period October 1, 2020 to September 30, 2021.
- (11) Mr. Bean was appointed as a director of the Company on August 29, 2022.
- (12) Mr. Zelen was appointed as a director of the Company on July 20, 2022.
- (13) Mr. Russell was appointed as CEO and President of the Company on February 14, 2022.

EQUITY INCENTIVE PLAN

On September 14, 2021, the shareholders of the Company approved the Equity Incentive Plan (the "Plan") which provides flexibility to the Company to grant equity-based incentive awards in the form of Options, RSUs, PSUs and DSUs.

The purpose of granting such Awards is to attract and retain directors, officers, employees and consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through Options, RSUs, PSUs and DSUs granted under the Plan to purchase shares.

The Plan is considered to be an "evergreen" plan, since the Common Shares covered by Awards which have been exercised or terminated will be available for subsequent grants under the Equity Incentive Plan and the number of Awards available to grant increases as the number of issued and outstanding Common Shares increases. The Company is required to obtain shareholder approval of the Plan every three years.

The aggregate number of shares issuable upon the exercise of all Awards granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Company from time to time subject to the following limitations:

- (a) the aggregate number of shares subject to an Award that may be granted to any one individual in any 12 month period under this Plan shall not exceed 5% of the issued and outstanding shares determined at the time of such grant;
- (b) the aggregate number of shares subject to an Award that may be granted to any one consultant in any 12 month period under this Plan shall not exceed 2% of the issued and outstanding shares determined at the time of such grant; and
- (c) The aggregate number of Shares subject to an Award that may be granted to any one person conducting Investor Relations Activities in any 12 month period under this Plan shall not exceed 2% of the issued and outstanding Shares determined at the time of such grant.

As determined by the Board or the Committee, Awards granted under the Equity Incentive Plan may be subject to vesting. The exercise price of a stock option granted under the Equity Incentive Plan shall not be lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. The Equity Incentive Plan does not permit the issuance of greater than 5% of the issued and outstanding shares within 12 months as applying to an individual. Any grant of Awards to an individual that provides for the issuance of greater than 10% of the issued and outstanding in total over a 12 month period must first be approved by a majority of shareholders other than those excluded by law, Exchange requirements, and the Company's constating documents. The terms of an Option may not be amended once issued. If an Option is cancelled prior to its expiry date, the Company must post notice of the cancellation and shall not grant new Options to the same person until 30 days have elapsed from the date of cancellation.

The maximum length of any stock option shall be five (5) years from the date the stock option is granted. Notwithstanding the above, a participant's stock option will expire 90 days after a participant ceases to act for the Company, other than for cause or by reason of death. Stock option of a participant that provides investor relations activities will expire 30 days after the cessation of the participant's services to the Company. In the event of the death of a participant, the participant's estate shall have twelve (12) months in which to exercise the outstanding Options.

The aggregate number of shares issuable upon the exercise stock options and RSUs/DSUs/PSUs under the Plan shall not exceed 6% and 4%, respectively, of the issued and outstanding common shares of the Company. As at September 30, 2022, the maximum number of Options and RSUs/DSUs/PSUs issuable under the Plan was 4,121,109 and 2,747,406, respectively.

As at September 30, 2022, 3,475,000 Options and 1,662,500 RSUs were outstanding under the Plan and there have been no Awards granted outside of the Equity Incentive Plan.

The Company will disclose the terms and conditions of Options and RSUs in its public disclosure documents and will post a notice of cancellation or exercise of all Options and RSUs in its monthly progress report filings with the Exchange. The Company will also ensure that the fair value or vesting price of RSUs, as applicable, will be included in all security-based awards.

The full text of the Plan can be obtained by contacting the Company by email at silvana@mosamventures.com or by phone call 604-669-9788.

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table sets forth all compensation securities granted or issued to each Named Executive Officer and director during the financial year ended September 30, 2022 and 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

| Name and Position | Type of Compensation Security | Number of Compensation Securities, Number of Underlying Securities and Percentage of Class ⁽³⁾ | Date of Issue or Grant | Issue, Conversion or Exercise Price (\$) | Closing Price of Security or Underlying Security on Date of Grant (\$) | Closing Price of Security or Underlying Security at Financial Year Ended 2022 (\$) | Expiry Date |
|------------------------------------|-------------------------------|---|------------------------|--|--|--|--------------|
| Nilda Rivera CFO | Options ⁽¹⁾⁽⁷⁾ | 100,000 – 0.15% | Feb 8, 2021 | 1.08 | 1.08 | 0.06 | Feb 8, 2026 |
| | Options ⁽²⁾ | 200,000 – 0.29% | Feb 14, 2022 | 0.095 ⁽⁴⁾ | 0.41 | 0.06 | Feb 14, 2027 |
| | RSU ⁽⁵⁾ | 200,000 – 0.29% | Feb 14, 2022 | 0.095 | 0.41 | 0.06 | N/A |
| Kant Trivedi Director | Options ⁽¹⁾⁽⁷⁾ | 100,000 – 0.15% | Feb 8, 2021 | 1.08 | 1.08 | 0.06 | Feb 8, 2026 |
| | Options ⁽²⁾ | 100,000 – 15% | Feb 14, 2022 | 0.095 ⁽⁴⁾ | 0.41 | 0.06 | Feb 14, 2027 |
| | RSU ⁽⁵⁾ | 50,000 – 0.07% | Feb 14, 2022 | 0.095 | 0.41 | 0.06 | N/A |
| Lucas Russell CEO, President | Options ⁽¹⁾ | 500,000 – 0.73% | Feb 14, 2022 | 0.095 ⁽⁴⁾ | 0.41 | 0.06 | Feb 14, 2027 |
| | RSU ⁽⁵⁾ | 500,000 – 0.73% | Feb 14, 2022 | 0.095 | 0.41 | 0.06 | N/A |
| Sefton Fincham Former President | Options ⁽²⁾ | 250,000 – 0.37% | Feb 14, 2022 | 0.095 ⁽⁴⁾ | 0.41 | 0.06 | Feb 14, 2027 |
| | RSU ⁽⁵⁾ | 250,000 – 0.37% | Feb 14, 2022 | 0.095 | 0.41 | 0.06 | N/A |
| Kulwant Sandher Former CFO | Options ⁽²⁾⁽⁶⁾ | 100,000 – 0.15% | Feb 14, 2022 | 0.095 ⁽⁴⁾ | 0.41 | 0.06 | Feb 14, 2027 |
| | RSU ⁽⁵⁾⁽⁶⁾ | 50,000 – 0.07% | Feb 14, 2022 | 0.095 | 0.41 | 0.06 | N/A |
| Allan Larmour Director | Options ⁽²⁾ | 100,000 – 0.15% | Feb 14, 2022 | 0.095 ⁽⁴⁾ | 0.41 | 0.06 | Feb 14, 2027 |

| | | | | | | | |
|---------------|------------------------|-----------------|--------------|-------|-------|------|--------------|
| | RSU ⁽⁵⁾ | 50,000 – 0.07% | Feb 14, 2022 | 0.095 | 0.41 | 0.06 | N/A |
| Anthony Zelen | Options ⁽²⁾ | 200,000 – 0.29% | Jul 20, 2022 | 0.095 | 0.095 | 0.06 | Jul 20, 2027 |
| | RSU ⁽⁵⁾ | 50,000 – 0.07% | Jul 20, 2022 | 0.095 | 0.095 | 0.06 | N/A |
| John Bean | Options ⁽²⁾ | 150,000 – 0.22% | Aug 30, 2022 | 0.095 | 0.085 | 0.06 | Aug 30, 2027 |
| | RSU ⁽⁵⁾ | 50,000 – 0.07% | Aug 30, 2022 | 0.095 | 0.085 | 0.06 | N/A |

Note:

- (1) The above Options vest quarterly over two years.
- (2) The above Options vest immediately.
- (3) Represents the number of underlying common shares issuable upon the exercise of Options and as a percentage of the total issued and outstanding common shares of the Company of **68,122,653** as at September 30, 2022.
- (4) The above Options were repriced on August 31, 2022 from \$0.42 to \$0.095.
- (5) The above RSU vest 25% at every six months, over two years
- (6) Mr. Sandher's remaining RSU and Options were cancelled after his resignation.
- (7) The options indicated are cancelled and reissued during February 14, 2022.

The following table sets forth the total compensation securities held by each Named Executive Officer and director as of September 30, 2022 and 2021.

| Name and Position | Type of Compensation Security | As at September 30, 2022 and 2021 | |
|--|-------------------------------|--|--|
| | | Total Number of Compensation Securities Held | Total Number of Common Shares Underlying Compensation Securities |
| Allan Larmour Former CEO and Director | Options | 175,000 | 175,000 |
| | RSU | 50,000 | 50,000 |
| Sefton Fincham Former President | Options | 250,000 | 250,000 |
| | RSU | 250,000 | 250,000 |
| Nilda Rivera CFO | Options | 200,000 | 200,000 |
| | RSU | 150,000 | 150,000 |
| Kulwant Sandher Former CFO and Director | Options | NIL | NIL |
| Peter Lee | Options | NIL | NIL |

| | | | |
|----------------------------------|----------------|------------------|------------------|
| Former Director | RSU | NIL | NIL |
| Dalton Larson Former Director | Options | NIL | NIL |
| | RSU | NIL | NIL |
| Kant Trivedi Director | Options | 200,000 | 200,000 |
| | RSU | 50,000 | 50,000 |
| Lucas Russell President & CEO | Options | 500,000 | 500,000 |
| | RSU | 500,000 | 500,000 |
| Anthony Zelen Director | Options | 200,000 | 200,000 |
| | RSU | 50,000 | 50,000 |
| John Bean Director | Options | 150,000 | 150,000 |
| | RSU | 50,000 | 50,000 |
| Total | Options | 1,675,000 | 1,675,000 |
| | RSU | 1,100,000 | 1,100,000 |

EXERCISE OF COMPENSATION SECURITIES BY NEOs AND DIRECTORS

The following table sets forth the total compensation securities exercised by each Named Executive Officer and director during the fiscal year ended September 30, 2022 and 2021.

| Name and Position | Type of Compensation Security | Total Number of Compensation Securities Exercised | Exercise Price | Date of Exercise |
|--|-------------------------------|---|----------------|------------------|
| Kulwant Sandher Former CFO and Director | Options | 75,000 | \$0.12 | Feb 22, 2021 |
| Peter Lee Former Director | Options | 20,000 | \$0.50 | Mar 4, 2021 |
| | Options | 45,000 | \$0.12 | Feb 23, 2021 |
| | Options | 40,000 | \$0.70 | Mar 18, 2021 |
| Total | | 180,000 | | |

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of the financial year ended September 30, 2022:

| Plan Category | Number of securities to be issued upon exercise of outstanding options and rights, under equity compensation plans⁽¹⁾ (a) | Weighted-average exercise price of outstanding options and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|---|--|--|
| Equity compensation plans approved by Securityholders | Options – 3,475,000 RSU – 1,662,500 | Options - \$0.10 RSU - \$0.39 | Options – 612,359 ⁽¹⁾ RSU – 1,062,406 ⁽²⁾ |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| Total | Options – 3,475,000 RSU – 1,662,500 | Options - \$0.10 RSU - \$0.39 | Options – 612,359⁽¹⁾ RSU – 1,062,406⁽²⁾ |

Note:

- (1) The number of common shares available under the Plan, which reserves a number of common shares for issuance Options, that is equal to 6% of the issued and outstanding common shares from time to time.
- (2) The number of common shares available under the Plan, which reserves a number of common shares for issuance of RSUs is equal to 4% of the issued and outstanding common shares from time to time.

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of the financial year ended September 30, 2021:

| Plan Category | Number of securities to be issued upon exercise of outstanding options and rights, under equity compensation plans⁽¹⁾ (a) | Weighted-average exercise price of outstanding options and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|---|--|--|
| Equity compensation plans approved by Securityholders | 370,000 | \$0.71 | 5,889,565 ⁽¹⁾ |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| Total | 370,000 | \$0.71 | 5,889,565 ⁽¹⁾ |

Note:

- (3) The number of common shares available under the Plan, which reserves a number of common shares for issuance, pursuant to the exercise of Awards, that is equal to 10% of the issued and outstanding common shares from time to time.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

There are no employment, consulting or management agreements between the Company and the Named Executive Officers or directors.

TERMINATION AND CHANGE OF CONTROL BENEFITS

There are no compensatory plans, contracts, agreements or arrangements in place that provide for payments to the Named Executive Officers at, following or in connection with any termination of employment (whether voluntary, involuntary or constructive), resignation, retirement or a change in the Named Executive Officer's or director's responsibilities following a change in control.

Pension Plan

No pension plan or retirement benefit plans have been instituted by the Company and none are proposed at this time.

SECTION 5 - AUDIT COMMITTEE

As the Company is considered a "Venture Issuer" pursuant to relevant securities legislation, the Company is relying on the exemption in Section 6.1 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

NI 52-110 requires the Company, as a venture issuer to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

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 information circular.

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 hereof, the members of the Audit Committee are John Bean (Chair), Kant Trivedi and Anthony Zelen. All members of the Audit Committee 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. They 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 endeavor.

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. See Section 6 – Corporate Governance – Directorships in Other Public Companies.

John Bean

Mr. Bean is a CPA, CA with extensive experience in capital markets, strategic planning, and corporate governance. He has served on the board of directors and acted as a CFO of companies spanning cannabis, real estate and technology. He was the CFO of Aurora Cannabis which grew from a \$100 million market capitalization to a multi-billion market capitalization under his stewardship.

Kant Trivedi

Mr. Trivedi has over 20 years of experience within the technology, telecommunications, financial services and blockchain sectors. He is a director and co-founder of Blockfusion Technologies Inc., a technology company building blockchain and AI infrastructure. Mr. Trivedi was chief operating officer and managing director (Partner) at Greenwich Associates, a consulting firm that works with several 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. and prior to Rogers, he was general manager at Look Communications Inc. Mr. Trivedi holds an MBA from Queen's University. He currently sits on the board of several public companies.

Anthony Zelen

Mr. Zelen is a serial entrepreneur who has over 27 years of experience in finance, investor relations, sales, and corporate development. Mr. Zelen has served as an officer and director of at least 16 publicly listed companies over the last 27 years. His business activities within the venture capital arena enabled him to establish a network of angel investors, family offices, accredited investors, and investment banking contacts throughout North America, Europe and Asia. He has also been involved in no less than a dozen startups including such companies as Diitalk Communications and Blockchain Intelligence Group. Mr. Zelen has a Bachelor of Art's degree in Political Science and Economics from Simon Fraser University.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year ended September 30, 2022 and 2021, has the Company relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) or Part 8 of NI 52-110. Section 2.4 (De Minimis Non-audit Services) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), 6.1.1(5) (Events Outside Control of Member) and 6.1.1(6) (Death, Incapacity or Resignation) provide exemptions from the requirement that a majority of the members of the Company's Audit Committee must not be executive officers, employees or control persons of the Corporation or of an affiliate of the Company. Part 8 (Exemptions) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

PRE-APPROVAL POLICIES AND PROCEDURES FOR NON-AUDIT SERVICES

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

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 year ended September 30, 2022 and 2021, are as follows:

| Financial Period Ending | Audit Fees (\$) ⁽¹⁾ | Audit Related Fees (\$) ⁽²⁾ | Tax Fees (\$) ⁽³⁾ | All Other Fees (\$) ⁽⁴⁾ |
|-------------------------|--------------------------------|--|------------------------------|------------------------------------|
| 2021 | 59,500 | 10,000 | 3,000 | 488 |
| 2022 | 35,700 | - | 2,500 | - |

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".

SECTION 6 - CORPORATE GOVERNANCE

GENERAL

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") provides guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of a listed company's systems of corporate governance with reference to National Policy 58-201 - *Corporate Governance Guidelines* (the "Guidelines"). Where a company's

corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company's approach to corporate governance is provided below.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and also takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision making. The Guidelines establish corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. NI 58-101 mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

COMPOSITION OF THE BOARD OF DIRECTORS

All of the proposed nominees for election as a director at the Meeting are current directors of the company. Form 58-101F1 suggests that the Board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship that could, in the view of the Company's Board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the director nominees, Allan Larmour, who served as the Company's President from October 2017 to March 2021 and CEO from October 2017 to February 16, 2022 is considered not to be "independent". All other director nominees are considered to be "independent". In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. It is the objective of the Company to have a majority of independent Board members and enhance the quality of the Company's corporate governance.

The Company does not currently have a Chair of the Board and, given the current size of the Board, does not consider that a Chair is necessary. The independent directors exercise their responsibilities for independent oversight of management and are provided with leadership through their positions on the Board. The Board will give consideration to appointing an "independent" member as Chair at such time as it believes that such a position is required.

Management was delegated the responsibility for meeting defined corporate objectives, implementing strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management through infrequent meetings of the Board and by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board and its Compensation Committee reviews executive compensation and recommends equity incentive grants accordingly.

MANDATE OF THE BOARD

The Board is elected by and accountable to the shareholders of the Company. The mandate of the Board is to continually govern the Company and to protect and enhance the assets of the Company in the long-term best interests of the shareholders. The Board will annually assess and approve a strategic plan which takes into account, among other things, the opportunities and the identification of the principal risks of the Company's business, and ensuring the implementation of appropriate systems to manage these risks.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES

Certain of the Board nominees are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

| Name of Director | Other reporting issuer (or equivalent in a foreign jurisdiction) ⁽¹⁾ |
|------------------|--|
| Allan Larmour | Norsemont Mining Inc. Tisdale Clean Energy Corp. Avarone Metals Inc. Gama Explorations Inc. |
| John Bean | Norsemont Mining Inc. Cullinan Metals Corp. Tearlach Resources Limited Avarone Metals Inc. |
| Anthony Zelen | Ronin Ventures Corp. Jessy Ventures Corp. Samurai Capital Corp. Rex Resources Corp. Prospect Park Capital Corp. Lida Resources Inc. New Wave Holdings Corp. Kings Entertainment Group Inc. Paloma Resources Inc. Longhorn Exploration Corp. Spirit Blockchain Capital Inc. |

Note:

(1) Information not being within our knowledge has been furnished by the respective person or has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders (www.sedi.ca).

ORIENTATION AND CONTINUING EDUCATION

New directors are briefed on strategic plans, corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. New directors are also encouraged to review the Company's public disclosure records as filed under its profile at www.sedar.com. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented.

The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records and to the Company's legal counsel to better understand the operations of the Company. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Company's Board.

ETHICAL BUSINESS CONDUCT

The Board has determined that the fiduciary duties placed on individual directors by the Company's governing corporate legislation, common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Furthermore, the Board promotes fair dealing with all its stakeholders and requires compliance with the laws of each jurisdiction in which the Company operates.

The Board of Directors is also required to comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia) and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

NOMINATION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The Board as a whole determines new nominees to the Board of Directors, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and the President and CEO. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed and discussed amongst the members of the Board prior to the proposed director's nomination.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

COMPENSATION OF DIRECTORS AND NAMED EXECUTIVE OFFICERS

The Board and the Compensation Committee have the responsibility for determining compensation for the directors and senior executives of the Company including the CEO and CFO. The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of incentive equity awards and certain consulting fees.

At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director and/or senior executive of the Company. In addition, the number of equity incentive awards to any director or senior executive is determined by the Board as a whole, thereby providing the independent directors with input into compensation decisions.

COMMITTEES OF THE BOARD OF DIRECTORS

The Company has an Audit Committee and a Compensation Committee.

ASSESSMENTS

The Board has not, as yet, established procedures to formally review the contributions of individual directors. At this point, the directors believe that the Board's current size facilitates informal discussion and evaluation of members' contributions within that framework.

SECTION 7 - OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, there was no indebtedness outstanding with any current or former Director, executive officer or employee of the Corporation or its subsidiaries which is owing to the Corporation or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Corporation, no proposed nominee for election as a Director of the Corporation and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time during the financial year ended **September 30, 2022** and **2021**, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Applicable securities legislation defines “*informed person*” to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities Except as otherwise disclosed herein, no informed persons had (or has) any interest in any transaction with the Company during the completed financial year ended **September 30, 2022** and **2021**, or in any proposed transaction, that has materially affected the Company or is likely to do so.

MANAGEMENT CONTRACTS

Except as disclosed under Section 4 – Executive Compensation, the Company has no management agreements or arrangements under which the management functions of the Company are performed other than by the Company’s directors and executive officers.

The Company entered into an employment agreement with Nilda Rivera effective February 15, 2021, which provided for her annual salary of \$200,000, five weeks’ annual vacation, participation in equity incentive plans and eligibility to participate in the Company’s standard benefit plans. This agreement may be terminated by either party at any time. The Company may terminate Ms. Rivera’s employment without cause, and without further obligation, by providing notice or wages in lieu of notice according to the BC Employment Standards Act. In the event of a change of control of the Company and a termination occurring within twelve months of the date such change of control, Ms. Rivera is entitled to receive from the Company a payment equal to

twenty four months' salary or notice. Effective October 1, 2022, Ms. Rivera verbally agreed to a reduced salary of \$12,500 per month.

The Company entered into a verbal employment agreement with Lucas Russell on February 14, 2022, pursuant to which the Company agreed to pay Mr. Russell a salary of \$10,000 per month in addition to participation in equity incentive plans. This agreement may be terminated by either party at any time.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Except as set out below, no director, officer, or promoter of the Company, or a shareholder that holds a sufficient amount of securities of the Company to materially affect control of the Company, has been subject to 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 securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Pursuant to a Settlement Agreement dated November 27, 2017, Lucas Russell, the President, CEO and a director of the Company, admitted that in or about June 2016, he cut and pasted client signatures from account forms previously signed by two clients onto two new account forms, contrary to Mutual Fund Dealers Association of Canada ("MFDA") Rule 2.1.11. Mr. Russell was registered in the mutual fund industry commencing in March 2009. Between January 2015 and June 2016, Mr. Russell was registered in British Columbia as a mutual fund salesperson (now known as a dealing representative) with a member of the MFDA. A Hearing Panel of the MFDA issued its Reasons for Decision dated March 7, 2018 in connection with a settlement hearing held in Vancouver, British Columbia on January 22, 2018. In its Reasons for Decision, the Hearing Panel confirmed the sanctions imposed on Mr. Russell. In particular, Mr. Russell: was prohibited from conducting securities related business in any capacity while in the employ of or associated with a MFDA Member for a period of six months; ordered to pay a fine in the amount of \$2,500; and recognized receipt of costs in the amount of \$2,500.

Except as disclosed herein, no proposed nominee for election as a director of the Company is, or has been, within 10 years before the date of this Information Circular:

1. a director, chief executive officer or chief financial officer of any company (including the Company and any personal holding company of the proposed director) that, while that person was acting in that capacity:
 - (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or 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 (an "Order"); or
 - (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
2. a director or executive officer of any company (including the Company) and any personal holding company of the proposed director) 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.

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 at the date hereof, both cease trade orders remain in effect.

Mr. Larmour was also 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 debtors.

Mr. Bean was an officer of Underground Energy Corporation ("**UGE**") when it became subject of a cease trade order issued by the BCSC dated May 2, 2013 for UGE's failure to file a comparative financial statement for the financial year ended December 31, 2012 and a management's discussion and analysis for the period ended December 31, 2012.

Mr. Bean was an officer of UGE when it became subject of a cease trade order issued by the BCSC on July 4, 2013 for UGE's failure to file financial statements and management's discussion and analysis for both the year ended December 31, 2012 and the three months ended March 31, 2013.

Mr. Bean was an officer of UGE when it became subject of a cease trade order issued by the Alberta Securities Commission on October 3, 2013 for UGE's failure to file financial statements and management's discussion and analysis for the year ended December 31, 2012, the three months ended March 31, 2013 and six months ended June 30, 2013.

Mr. Bean was an officer of UGE. UGE was dissolved in 2018. On March 4, 2013, Underground Energy, Inc. ("**UEI**"), the wholly-owned subsidiary of UGE, voluntarily filed for Chapter 11 creditor protection in the U.S. Federal Court. The filing was made in response to liens filed by creditors against UEI's principal properties. On January 5, 2015, the U.S. Federal Court approved a plan of reorganization, whereby the assets of UEI were managed by a trust, the trustees of which were representatives of the creditors. Over the ensuing years to December, 2017, the trust sold all assets, with proceeds going to the creditors. UEI was dissolved in 2015. The Underground Energy Trust bankruptcy case entity was officially closed in December, 2017. The parent company, UGE, was dissolved in 2018.

Anthony Zelen was a director of Hollister Biosciences Inc. ("**HBI**") when the BCSC issued a cease trade order on June 16, 2020 against it for failure to file its annual financial statements and related management's discussion and analysis and certifications for the year ended December 31, 2019. This cease trade order was revoked on July 15, 2020.

Anthony Zelen was a director of HBI when the BCSC issued a cease trade order on May 4, 2021 against it for failure to file its annual financial statements and related management's discussion and analysis and certifications for the year ended December 31, 2020. This cease trade order was revoked on June 1, 2020.

Anthony Zelen was a director of New Wave Holdings Corp. ("**New Wave**") when the BCSC issued a cease trade order on July 31, 2021 against it for failure to file its annual financial statements and related management's discussion and analysis and certifications for the year ended March 31, 2021. This cease trade order was revoked on October 29, 2021.

Anthony Zelen was a director of New Wave when the Ontario Securities Commission issued a cease trade order on August 3, 2021 against it for failure to file its annual financial statements and related management's discussion and analysis and certifications for the year ended March 31, 2021. This cease trade order was revoked on November 1, 2021.

Anthony Zelen was a director of New Wave when the Ontario Securities Commission issued a cease trade order on October 5, 2021 against it for failure to file its annual audited financial statements for the year ended March 31, 2021 and its interim financial statements and related management's discussion and analysis and certifications for the period ended June 30, 2021. This cease trade order was revoked on October 29, 2021.

Mr. Zelen, while acting as the chief executive officer and a director of Lida Resources Corp. (“**Lida**”), Lida was subject to a failure-to-file financial statements management cease trade order issued by the principal regulator of British Columbia on December 31, 2021. The management cease trade order was revoked on March 4, 2022.

Additional Information

Financial information about the Company is included in the Company’s audited consolidated financial statements and Management’s Discussion and Analysis for the financial years ended September 30, 2022 and September 30, 2021, and Annual Information Form for the financial years ended September 30, 2022 and September 30, 2021, which have been electronically filed with regulators and are available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Copies may be obtained without charge upon request to the Company at Suite 610 -700 West Pender Street, Vancouver, British Columbia V6C 1G8. You may also access the Company’s public disclosure documents through the Internet on SEDAR at www.sedar.com.

DATED at Vancouver, British Columbia, this 24th day of March, 2022.

BY ORDER OF THE BOARD OF DIRECTORS,

(signed) “Lucas Russell”

Lucas Russell
Chief Executive Officer

**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.

SCHEDULE B
Change of Auditor Package



TO: British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission

AND TO: Smythe LLP
WDM Chartered Professional Accountants

Re: Notice of Change of Auditor

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”), Cloud Nine Web3 Technologies Inc. (the “**Corporation**”) hereby provides a notice of change of auditor as follows:

1. Smythe LLP (the “**Former Auditor**”), Chartered Professional Accountants, tendered its resignation as auditor of the Corporation effective October 20, 2022, on its own initiative;
2. The Corporation appointed WDM Chartered Professional Accountants (the “**Successor Auditor**”) as auditor of the Corporation on October 25, 2022, to hold such position until the next annual general meeting of shareholders of the Corporation;
3. The resignation of the Former Auditor and the appointment of the Successor Auditor were considered and approved by the audit committee and the board of directors of the Corporation (the “**Board**”);
4. there were no modifications of opinion contained in the Former Auditor’s reports on the Corporation’s financial statements relating to the “relevant period” (as such term is defined in Part 4.11 of National Instrument 51-102);
5. there were no “reportable events” including disagreements, consultations or unresolved issues (as the term is defined in Part 4.11 of National Instrument 51-102); and
6. The contents of this Notice have been reviewed and approved by the Board.

DATED at Vancouver, British Columbia, this 1st day of November 2022.

BY ORDER OF THE BOARD OF DIRECTORS,
CLOUD NINE WEB3 TECHNOLOGIES INC.

Per: “*Nilda Rivera*”

Nilda Rivera
CFO



November 1, 2022

Private and Confidential

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission

Dear Sirs/Madams:

**RE: CLOUD NINE WEB3 TECHNOLOGIES (THE "COMPANY")
CHANGE OF AUDITOR**

We are writing in accordance with Section 4.11(5)(a) of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"). We wish to confirm that we have read the Notice of Change of Auditor of the Company dated November 1, 2022 and that based on our current knowledge we are in agreement with the information contained in such Notice.

Yours very truly,

A handwritten signature in black ink that reads 'Smythe LLP'.

Chartered Professional Accountants

SMYTHE LLP | smythecpa.com

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LANGLEY

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NANAIMO

201-1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

November 1, 2022

To: **British Columbia Securities Commission**
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Canadian Securities Exchange

Re: Cloud Nine Web3 Technologies Inc. ("the Company")
Notice Pursuant to NI 51-102 – Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor dated November 1, 2022, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours truly,

WDM

Chartered Professional Accountants

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

cc. Cloud Nine Web3 Technologies Inc.

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SERVICE

INTEGRITY

TRUST



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WDM