

LEGION METALS CORP.

- and -

AUSTIN SPENCER & AARON SMITH-HAYES

ASSET PURCHASE AGREEMENT

January 8, 2018

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT made as of January 8, 2018 (the “**Effective Date**”).

BETWEEN:

AUSTIN SPENCER

AND:

AARON SMITH-HAYES

(each, a “**Vendor**”, and collectively, the “**Vendors**”)

AND:

LEGION METALS CORP., a British Columbia corporation having its registered and records office at #600-1090 West Georgia Street, Vancouver, British Columbia V6E 3V7

(the “**Purchaser**”)

WHEREAS the Vendors desires to transfer and assign to the Purchaser and the Purchaser desires to acquire from the Vendors the Purchased Assets on the terms and conditions set forth herein;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree with each other as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, including the recitals and any Schedules hereto, the following words and phrases shall have the following meanings unless the context otherwise requires:

- (a) “**Additional Rigs**” means ten high speed computer systems or “rigs” used to mine cryptocurrencies by verifying code for transactions on different blockchains through the application of blockchain technology, to be built by the Vendors for the Purchaser using components sourced by the Vendors and purchased by the Purchaser from suppliers introduced to the Purchaser by the Vendors.
- (b) “**Agreement**” means this asset purchase agreement and includes any agreement amending this agreement or any agreement or instrument which is supplemental or ancillary thereof.
- (c) “**Applicable Law**” means, in relation to any Person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives, published guidelines, standards, codes of practice (regardless of whether such guidelines, standards and codes of practice have been promulgated by statute or regulation) and orders of and the terms of all judgments, orders and decrees issued by any Authorized Authority by which such Person is bound or which has application to the transaction or event in question.
- (d) “**Authorized Authority**” means, in relation to any Person, transaction or event, any: (i) federal, state, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (ii) agency, authority, commission, instrumentality,

regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government; (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and (iv) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event.

- (e) “**Business Day**” means a day on which banks are generally open for the transaction of commercial business in Vancouver, British Columbia, Canada, but does not in any event include a Saturday or a Sunday or a statutory holiday under Applicable Law.
- (f) “**Closing**” means the transfer by the Vendors to the Purchaser of the Purchased Assets and the satisfaction of the Purchase Price and the completion of all matters incidental thereto which are contemplated by this Agreement.
- (g) “**Closing Date**” means January 10, 2018.
- (h) “**including**” and “**includes**” means “including, without limitation” and “includes, without limitation”, respectively.
- (i) “**Intellectual Property Rights**” means any statutory or common law rights of the Vendors in any jurisdiction, including the registration or application for registration of such rights, provided under:
 - (i) patent law;
 - (ii) copyright law;
 - (iii) trade-mark law, including trade names;
 - (iv) design patent or industrial design law; and
 - (v) any other statutory provision or common law principle applicable hereto which may provide a right in either: (A) ideas, formulae, algorithms, concepts, inventions or know-how generally, including confidential information or trade secret law; or (B) the expression of such ideas, formulae, algorithms, concepts, inventions or know-how.
- (j) “**Option**” means a stock option exercisable for a common share in the capital of the Purchaser.
- (k) “**Parties**” means the Vendors and the Purchaser, and “**Party**” means one of them.
- (l) “**Person**” includes an individual, a partnership, a corporation, a trust, a joint venture, an unincorporated organization, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual.
- (m) “**Purchased Assets**” means all right, title and interest of the Vendors in and to the assets described in Schedule A hereto, including without limitation the Intellectual Property Rights in such assets.
- (n) “**Purchase Price**” has the meaning ascribed thereto in Section 2.1.
- (o) “**Purchased Rigs**” means two high speed computer systems or “rigs” used to mine cryptocurrencies by verifying code for transactions on different blockchains through the application of blockchain technology. The first rig is an 8GB computer with twelve AMD RX580 graphics cards, and the second rig is an 11GB Computer with twelve nVidia 1080 TI graphics cards.
- (p) “**Purchaser**” means Legion Metals Corp.

- (q) “**Share**” means a common share in the capital of the Purchaser;
- (r) “**Vendors**” means, collectively, Austin Spencer & Aaron Smith-Hayes.

1.2 References and Headings

The references “hereunder”, “herein”, “hereby” and “hereof” refer to the provisions of this Agreement and references to Articles, Sections, Subsections and Schedules herein refer to articles, sections, subsections or schedules of this Agreement. Any reference to time shall refer to Seattle time. The headings of the Articles, Sections, Schedules and any other headings, captions or indices herein are inserted for convenience of reference only and shall not be used in any way in construing or interpreting any provision hereof.

1.3 Canadian Dollars

All dollar amounts referred to in this Agreement are in Canadian funds, unless otherwise indicated herein. All payments contemplated herein shall be by certified cheque or bank draft issued by a Canadian bank or such other transfer of immediately available funds as may be acceptable to the Parties.

1.4 Singular/Plural; Derivatives

Whenever the singular or masculine or neuter is used in this Agreement, it shall be interpreted as meaning the plural or feminine or body politic or corporate, and vice versa, as the context requires. Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

1.5 Statutory References

Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing the statute so referred to or the regulations made pursuant thereto.

1.6 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of any Schedule hereto or any document delivered pursuant to this Agreement, the provision of the body of this Agreement shall prevail.

1.7 Accounting References

Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, the same shall be done in accordance with generally accepted accounting principles except where the application of such principles is inconsistent with, or limited by, the terms of this Agreement.

1.8 Computation of Time Periods

Except as expressly set out in this Agreement, the computation of any period of time referred to in this Agreement shall exclude the first day and include the last day of such period. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day. To the extent that

interest is calculated for a period ending on a day that is not a Business Day, the last day of such period, for the purposes of calculating interest, shall extend to the next following Business Day.

ARTICLE 2 SALE AND CONVEYANCE

2.1 Assignment and Transfer of Purchased Assets

The Vendors hereby agree to assign and transfer to the Purchaser and the Purchaser hereby agrees to receive from the Vendors, all of the Vendors' entire right, title and interest in and to the Purchased Assets, as of the Closing Date in consideration for:

- (a) the issuance of an aggregate of 1,000,000 Shares to the Vendors (500,000 Shares to each Vendor), with each Share issued at a deemed value of \$0.0825 per Share, for aggregate consideration of \$82,500; and
- (b) the issuance of an aggregate of 400,000 Options (200,000 Shares to each Vendor);

(collectively, the "**Purchase Price**").

2.2 The Shares

The Shares issued to the Vendors on the Closing Date shall be held in escrow by the Purchaser's solicitor. The Shares shall be released from escrow to the Vendors upon the Purchaser and the Vendors providing joint written notice to the Purchaser's solicitor that the Additional Rigs have been completed and delivered by the Vendors to the Purchaser in accordance with Section 3.1 and have been operating for 30 days.

Each of the Vendors acknowledges and agrees that the Shares issued under this Agreement shall be subject to such hold periods and legends as required by Applicable Law and the policies and rules of the Canadian Securities Exchange.

2.3 The Options

Each of the Options issued to the Vendors on the Closing Date shall: be governed by the Purchaser's stock option plan; have an exercise price of \$0.11; expire five years from the date of grant; and vest upon the Purchaser and the Vendors providing joint written notice to the Purchaser's solicitor that the Additional Rigs have been completed and delivered by the Vendors to the Purchaser in accordance with Section 3.1 and have been operating for 30 days.

Each of the Vendors acknowledges and agrees that the Options issued under this Agreement (and any Shares issuable upon the exercise of such Options) shall be subject to such hold periods and legends as required by Applicable Law and the policies and rules of the Canadian Securities Exchange.

2.4 Allocation of Purchase Price

The Vendors and the Purchaser will allocate the Purchase Price among the Purchased Assets according to the fair market value of the Purchased Assets or as otherwise mutually determined by the Vendors and the Purchaser, each acting reasonably.

2.5 Conditions of Closing

Closing of the transaction contemplated by this Agreement shall be conditional on the following conditions being satisfied or being waived in writing by the Parties:

- (a) The Purchaser shall have paid the Purchase Price through the issuance of the 1,000,000 Shares and the 400,000 Options on the Closing Date to the Vendor;
- (b) Confirmation that each of the Vendors is eligible to receive the Shares and Options issuable under this Agreement pursuant to an exemption from applicable prospectus and registration requirements under Applicable Law.

Furthermore, the Parties acknowledge and agree that the issuance of the Shares and Options pursuant to this Agreement shall be subject to receipt of approval, if required, by the Canadian Securities Agreement.

ARTICLE 3 ADDITIONAL COVENANTS

3.1 Purchased Rigs and Additional Rigs

The Vendors agree, for no additional consideration, to set up the Purchased Rigs as soon as practicable following the Closing Date, and to build on behalf of the Purchaser, using components sourced by the Vendors and purchased by the Purchaser from suppliers introduced to the Purchaser by the Vendors, the Additional Rigs as soon as practicable, and in any event by no later than January 31, 2018.

3.2 Ongoing Support

For one year from the Closing Date, upon reasonable request from the Purchaser, each of the Vendors shall provide, on an exclusive basis, all required, necessary or advisable support and maintenance for the Purchased Rigs and the Additional Rigs. As additional consideration for this ongoing support and maintenance, the Purchaser shall pay to the Vendors, at the end of each calendar month, 25% of the net proceeds from each of the Purchased Rigs and Additional Rigs.

3.3 Operational Space

For one year from the Closing Date, the Vendors shall lease operational space at #1-1642 Langan Avenue, Coquitlam, British Columbia, for the operation of the Purchased Rigs and the Additional Rigs at a cost of no more than \$1,000 per month. In addition, the Purchaser shall be required to reimburse the Vendors for all electricity costs of the Vendors for operating the Purchased Rigs and the Additional Rigs in the leased space.

3.4 Sales and Transfer Taxes

The Purchaser shall be responsible to pay, and shall pay directly to the appropriate Authorized Authority all sales and transfer taxes, registration charges and transfer fees, other than the goods and services tax and harmonized sales tax imposed under any value-added or multi-staged tax imposed under any applicable state or territorial legislation, payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

Each of the Vendors covenants, represents and warrants to and in favour of the Purchaser now as provided in this Section 4.1:

- (a) **Requisite Authority.** The Vendor has the requisite capacity, power and authority to execute this Agreement and the other agreements, documents and instruments required to be delivered hereby and to perform the obligations to which it thereby becomes subject.
- (b) **Execution and Enforceability.** This Agreement has been duly executed and delivered by the Vendor and this Agreement constitutes, and all other documents executed and delivered on behalf of the Vendor hereunder shall, when executed and delivered, constitute legal, valid and binding obligations of the Vendor enforceable in accordance with their respective terms and conditions, subject to the qualification that such enforceability may be subject to:
 - (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and
 - (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law).
- (c) **Title to Purchased Assets.** The Vendor owns, of record and beneficially, collectively with the other Vendor, the Purchased Assets (including without limitation the Intellectual Property Rights) free and clear of any lien, claim, charge or encumbrance, other than any encumbrance created in favor of the Purchaser pursuant to this Agreement or otherwise. The Vendor has not transferred, assigned or encumbered the Purchased Assets (including without limitation the Intellectual Property Rights) or its interests therein in any way. The past conduct of the Vendor with respect to the Purchased Assets (including without limitation the Intellectual Property Rights) does not infringe the intellectual property or contractual rights or obligations of any Person. No Person has instituted or threatened any proceeding or action against the Vendor or any other party with respect to the Purchased Assets (including without limitation the Intellectual Property Rights) alleging any infringement by it of the intellectual property of such Person. On the Closing Date, the Purchaser will obtain good and valid title to the Purchased Assets (including without limitation the Intellectual Property Rights) other than any encumbrance created in favor of the Purchaser pursuant to this Agreement or otherwise.

4.2 Representations and Warranties of the Purchaser

The Purchaser covenants, represents and warrants to and in favour of the Vendors now as provided in this Section 4.2:

- (a) **Requisite Authority.** The Purchaser has the requisite corporate capacity, power and authority to execute this Agreement and the other agreements required to be delivered hereby and to perform the obligations to which it thereby becomes subject.
- (b) **Execution and Enforceability.** The Purchaser has taken all necessary corporate actions to authorize the execution, delivery and performance of this Agreement, including the transactions contemplated herein in accordance with the provisions of this Agreement. This Agreement has been duly executed and delivered by the Purchaser and this Agreement constitutes, and all other documents executed and delivered on behalf of the Purchaser hereunder shall, when executed and delivered, constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms and conditions, subject to the qualification that such enforceability may be subject to:
 - (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally, and
 - (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law).

- (c) **Shares.** The Shares to be issued under this Agreement, when issued, will be duly and validly issued as fully paid and non-assessable shares of the Purchaser.

ARTICLE 5 GENERAL

5.1 Governing Law

This Agreement shall be governed by, construed and enforced in accordance with the laws in effect in the Province of British Columbia and the federal laws of Canada applicable therein. Each Party accedes and submits to the jurisdiction of the courts of the Province of British Columbia and all courts of appeal therefrom.

5.2 Counterparts

This Agreement and any document or instrument to be executed and delivered by the Parties hereunder or in connection herewith may be executed and delivered in separate counterparts and delivered by any Party to the other Party by facsimile, each of which when so executed and delivered shall be deemed an original and all such counterparts shall together constitute one and the same agreement. If this Agreement or any such document or instrument is delivered by facsimile, the Party so delivering this Agreement or such document or instrument shall within a reasonable time after such delivery deliver an originally executed copy to the other Party.

5.3 Successors and Assigns

This Agreement will be binding upon and will enure to the benefit of the Parties and their respective successors and permitted assigns.

5.4 Supersedes Earlier Agreements

This Agreement constitutes the whole and entire agreement among the Parties in connection with the transactions contemplated herein and cancels and supersedes any prior agreements, undertakings, declarations, commitments, representations, written or oral, in respect thereof, and there are no express or implied terms, conditions, agreements, undertakings, declarations, commitments, representations or warranties or other duties (legal, equitable, fiduciary or in tort) whatsoever among the Parties not expressly provided for in this Agreement.

5.5 Waiver

No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

5.6 Time of the Essence

Time shall be of the essence in this Agreement.

5.7 No Merger

The representations, warranties, liabilities and indemnities created in this Agreement shall be deemed to apply to all assignments, conveyances, transfers and other documents conveying any of the Purchased

Assets from the Vendor to the Purchaser. There shall not be any merger of any of such representations, warranties, liabilities or indemnities in such assignments, transfers or other documents.

5.8 Invalidity of Provisions

If any of the provisions of this Agreement are determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the other provisions shall not in any way be effected or impaired thereby.

5.9 Amendments

This Agreement may be amended only by written instrument executed by the Parties.

5.10 No Contra Proferentum

A provision of this Agreement must not be construed to the disadvantage of a party merely because that party was responsible for the preparation of the Agreement or the inclusion of the provision in the Agreement.

5.11 Further Assurances

Each of the Parties will from time to time, on and after the Closing Date, at the request and expense of the requesting Party, execute and deliver all such other additional instruments, notices, releases, acquittances and other documents and shall do all such other acts and things as may be reasonably necessary to carry out the terms and conditions of this Agreement in accordance with their true intent.

5.12 Independent Legal Advice

Each of the Vendors acknowledges that: (a) he has had adequate opportunity, and the Purchaser has urged him, to consult independent legal counsel regarding the legal meaning and potential consequences of this Agreement, and of performing his obligations under the Agreement; (b) he has not been induced to enter into this Agreement by reason of coercion or undue influence; and (c) he has not received or relied on legal advice from Beadle Raven LLP.

LEGION METALS CORP.

By: "Peter Smith"
Authorized Signatory

"Austin Spencer"
AUSTIN SPENCER

"Aaron Smith-Hayes"
AARON SMITH-HAYES

SCHEDULE A

Purchased Assets

The Purchased Assets are comprised of the following:

All right, title and interest in and to the Purchased Rigs and, once built by the Vendors, the Additional Rigs, including without limitation all Intellectual Property Rights and goodwill with respect to the Purchased Rigs and the Additional Rigs.

All ancillary equipment, components, wiring and technology used to set up the Purchased Rigs and to build and set up the Additional Rigs.