



#1080-789 West Pender Street  
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**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
FOR  
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF  
MOBIO TECHNOLOGIES INC.**

**TO BE HELD ON DECEMBER 31, 2018**

**Dated: November 20, 2018**

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#1080-789- West Pender Street  
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## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF MOBIO TECHNOLOGIES INC.**

**to be held on DECEMBER 31, 2018 at 10:00 am PST  
at #1150 – 789 West Pender Street, Vancouver, BC V6C 1H2**

NOTICE IS HEREBY GIVEN that pursuant to the order of the Supreme Court of British Columbia dated November 20, 2018, an annual general and special meeting (the "Meeting") of the shareholders ("Mobio Shareholders") of Mobio Technologies Inc. ("Mobio" or the "Company") will be held at 1150-789 West Pender Street, Vancouver, BC, V6C 1H2 on Thursday, December 31, 2018 at 10:00 a.m. for the following purposes:

1. To receive and consider the comparative financial statements of the Company for the financial year ended July 31, 2018, together with the report of the auditor thereon;
2. To set the number of directors;
3. To elect directors for the ensuing year;
4. To appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants as auditors of the Company for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditors;
5. To consider and, if thought fit, pass, with or without variation, a special resolution approving an arrangement (the "Plan of Arrangement") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "Act") which involves, among other things, the distribution to the Mobio Shareholders shares of the Company's wholly-owned subsidiary Plank Ventures Ltd. ("Plank") and transfer of certain assets of the Company to Plank, all as more fully set forth in the accompanying management information circular of the Company.
6. To approve 20% fixed stock option plan of Plank, as more fully set forth in the information circular accompanying this notice.
7. To transact such other business as may properly be put before the Meeting;

The accompanying 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.

Information relating to the matters to be brought before the Meeting is set forth in the information circular accompanying this Notice of Meeting.

**AND TAKE NOTICE that Mobio Shareholders who validly dissent from the Arrangement will be entitled to be paid the fair value of their common shares subject to strict compliance with the provisions of the interim order (as set forth**

herein), the Plan of Arrangement and sections 237 to 247 of the Act. The dissent rights are described in Schedule 5 of the accompanying management information circular (the "Circular"). Failure to comply strictly with the requirements set forth in the Plan of Arrangement and sections 237 to 247 of the Act may result in the loss of any right of dissent.

The 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 the Notice and the Circular is a form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Only Mobio Shareholders of record at the close of business on November 7, 2018, will be entitled to receive notice of and vote at the Meeting.

**Registered Mobio Shareholders unable to attend the Meeting are requested to date, sign and return the enclosed form of proxy and deliver it in accordance with the instructions set out in the proxy and in the Circular. A proxy will not be valid unless it is deposited by mail or by fax at the office of Odyssey Trust Company, 323-409 Granville Street, Vancouver, BC V6C 1T2 or by fax at (800) 517-4553 not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or an adjournment thereof. Only Shareholders of record on November 7<sup>th</sup>, 2018 are entitled to receive notice of and vote at the Meeting. If you are a non-registered Mobio Shareholder and receive the materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or the other intermediary. Failure to do so may result in your shares of the Company not being voted at the Meeting. Alternatively, a Shareholder may complete his or her form of proxy online at <http://odysseytrust.com/Transfer-Agent/Login> by following the instructions provided on the form of proxy. In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Shareholder should be delivered by facsimile to Odyssey Trust Company at (800) 517-4553.**

Dated at Vancouver, British Columbia, this 7<sup>th</sup> day of November, 2018.

BY ORDER OF THE BOARD OF DIRECTORS OF  
**MOBIO TECHNOLOGIES INC.**

*/s/ "Laurie Baggio"*  
Chief Executive Officer

**Mobio Technologies Inc.**  
**(the “Company” or “Mobio”)**  
1080-789 West Pender Street  
Vancouver, BC V6C 1H2

**This Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by management of Mobio Technologies Inc. for use at the annual general and special meeting of shareholders of the Company (the “Meeting”) to be held in the Suite 1150-789 West Pender Street, Vancouver, BC V6C 1H2 on Thursday, December 31, 2018 at 10:00 a.m. PST for the purposes set forth in the Notice of Annual General and Special Meeting of Shareholders (the “Notice”) accompanying this Circular.**

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Glossary of Terms in this Circular.

In considering whether to vote for the approval of the Arrangement, Mobio Shareholders should be aware that there are various risks, including those described in the Section entitled “Risk Factors” in this Circular. Mobio Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

The solicitation of proxies will be primarily by mail. Proxies may also be solicited personally by directors, officers and regular employees of the Company. The cost of solicitation of proxies will be borne by the Company.

## **ANNUAL GENERAL AND SPECIAL MEETING MATTERS**

At the Meeting, the Mobio Shareholders will be asked, to consider and, if thought fit, to pass resolutions fixing the number of directors, electing directors, appointing auditors, consolidating the commons shares of the Company, the Arrangement Resolution approving the Arrangement among the Company, Plank and the Mobio Shareholders. The Arrangement will consist of the distribution of Plank Shares to the Mobio Shareholders and transferring certain assets of Mobio to Plank.

**By passing the Arrangement Resolution, the Mobio Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the Mobio Shareholders.**

## **INFORMATION CONTAINED IN THIS CIRCULAR**

The information contained in this Circular is given as at the date of this Circular, unless otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Mobio Shareholders are urged to consult their own professional advisers in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. Mobio Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Arrangement Agreement is attached to this Circular as Schedule 4 and the Plan of Arrangement is attached as Schedule 1 to the Arrangement Agreement and are available on [www.sedar.com](http://www.sedar.com) under the profile of the Company.



# INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact contained herein, the information presented in this Circular constitutes “forward-looking statements” or “information” (collectively “statements”). These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “forecast”, “outlook”, “potential”, “continue”, “should”, “likely”, or the negative of these terms or other comparable terminology. Although management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or Plank to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited, risks related to our limited operating history and history of limited or no earnings, competition from other companies in similar industries, risks inherent with operations in emerging countries, changes to government regulations in the areas of insurance, financing, and business consulting industry, dependence on key personnel, general economic conditions, local economic conditions, interest rates; availability of equity and debt financing, and other risks factors described from time to time in the documents filed by us with applicable securities regulators, including in this Circular under the heading “Risk Factors”.

Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update any forward-looking statement if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of Mobio for use at the Meeting, and at any adjournment(s) or postponement(s) thereof.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors or officers of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Beneficial Shareholders held of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

### Currency

In this Circular, except where otherwise indicated, all dollar amounts are expressed in the lawful currency of Canada.

### Record Date

The Board has fixed November 7, 2018 as the record date (the “Record Date”) for determination of persons entitled to receive notice of and to vote at the Meeting. Only Mobio Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their Mobio Shares voted at the Meeting.

## Appointment of Proxy holders

The individual(s) named in the accompanying form of proxy are management's representatives. If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the person(s) designated in the Proxy, who need not be a shareholder of the Company, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy.

Completed forms of proxy must be received by mail or fax by the Company's registrar and transfer agent, Odyssey Trust Company, 323 – 409 Granville St, Vancouver, BC V6C 1T2 or by fax at (800) 517-4553, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## Voting by Proxy holder

The person(s) named in the Proxy will vote or withhold from voting the Mobio Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Mobio Shares will be voted accordingly. The Proxy confers discretionary authority on the person(s) named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

**In respect of a matter for which a choice is not specified in the Proxy, the person(s) named in the Proxy will vote the Mobio Shares represented by the Proxy for the approval of such matter.**

## Non-Registered Holders

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a registered shareholder in respect of Shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIFs, RESPs and similar plans); or in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners ("OBOs") under NI 54-101, the Meeting Materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and that in the case of an OBO, the OBO will not receive the Meeting Materials and Form 54-101F7 unless the OBO's intermediary assumes the cost of delivery.

Intermediaries are responsible for forwarding the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will receive either a voting instruction form or a form of proxy.

The voting instruction form ("VIF") is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIF's, whether or not provided by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

## **Revocation of Proxies**

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Information Circular, none of the Directors or Senior Officers of the Company, no proposed nominee for election as a Director of the Company, none of the persons who have been Directors or Senior Officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

On November 9, 2018 the Company has issued 3,994,779 common shares in the capital of the Company to settle an aggregate amount of \$359,530 of debt at a price of \$0.09 per common share with two insiders of the Company. The Company issued 1,100,563 common shares pursuant to this debt settlement to Laurie Baggio, the CEO and director of the Company and 2,894,216 common shares to a company

controlled, by Mr. Lance Tracey, a control person of the Company. The debt settlement was approved by the independent directors of the Company and the TSX Venture Exchange.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value, of which 18,419,433 common shares are issued and outstanding. Only the holders of common shares are entitled to vote at the Meeting and the holders of common shares are entitled to one vote for each common share held. Holders of common shares of record on November 7, 2018, the Record Date, will be entitled to vote at the Meeting.

As of the Record Date, to the knowledge of the directors and senior officers of the Company, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, common shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company other than as follows:

Name of Shareholder	Number of Shares	Percentage of Issued & Outstanding
Phoenix Ventures Inc. <sup>(1) (4)</sup>	1,146,737	6.2%
Code Consulting Ltd. <sup>(2) (3)</sup>	7,131,597	38.7%

<sup>(1)</sup> This company is controlled by the CEO and director of Mobio Laurie Baggio

<sup>(2)</sup> This company is controlled by Mr. Lance Tracey. The number of shares controlled by Code Consulting Ltd. includes the shares controlled through Lanebury Growth Capital Ltd. Code Consulting Ltd. controls 90% of the shares of Lanebury Growth Capital Ltd.

<sup>(3)</sup> On November 9, 2018, after the Record Date, the Company has issued 2,894,216 Shares to Code Consulting Ltd. As of the date of this Circular, Code Consulting Ltd. controls directly and through Lanebury Growth Capital Ltd. 10,025,809 (44.7%) Shares of the Company.

<sup>(4)</sup> On November 9, 2018, after the Record Date, the Company has issued 1,100,563 Shares to Phoenix Ventures Ltd. As of the date of this Circular, Phoenix Ventures Ltd. controls 2,247,300 (10.0%) Shares of the Company.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as ordinary resolutions and an affirmative vote of 2/3rds of the votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as special resolutions.

## GLOSSARY OF TERMS

The following is a glossary of general terms and abbreviations used in this Circular:

**“Act”** means the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

**“Applicable Laws”** means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;

**“Arrangement”** means the arrangement pursuant to Section 288 of the BCBCA set forth in the Plan of Arrangement;

**“Arrangement Agreement”** means the agreement dated for reference August 28, 2018, between the Company and Plank, a copy of which is attached as Schedule 4 to this Circular, and any amendment(s) or variation(s) thereto;

**“Arrangement Provisions”** means Part 9, Division 5 of the BCBCA;

**“Arrangement Resolution”** means the special resolutions in respect to the Arrangement and other related matters to be considered at the Mobio Meeting, the full text of which is set out as Schedule 3 to this Circular;

**“Asset Consideration Plank Shares”** has the meaning set out in §3.1(a) of the Plan of Arrangement;

**“Assets”** means the assets of Mobio to be transferred to the Mobio Subsidiary pursuant to the Arrangement, as more particularly described in Schedule B attached to the Plan of Arrangement;

**“BCBCA”** means the Business Corporations Act, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;<sup>21</sup>

**“Board”** means the board of directors of the Company;

**“Business Day”** means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;

**“CEO”** means an 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 an 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;

**“Circular”** means this management information circular;

**“Closing Date”** has the meaning ascribed in §5.2 of the Arrangement Agreement;

**“Company”** means Mobio Technologies Inc.;

**“Conversion Factor”** means one as of the close of business on the Share Distribution Record date;

**“Court”** means the Supreme Court of British Columbia;

**“Dissenting Shareholder”** means a Mobio Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Mobio Shares;

**“Dissenting Shares”** means the Mobio Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

**“Effective Date”** means the date the Arrangement becomes effective pursuant to the Arrangement Agreement;

**“Effective Time”** means 10:00 a.m. (Vancouver time) on the Effective Date;

**“Final Order”** means the order of the Court approving the Arrangement; as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**“IFRS”** means international financial reporting standards in effect in Canada at the relevant time, including the accounting recommendations in the Handbook of the Canadian Institute of Chartered Accountants;

**“Stock Option” or “Incentive Plan”** means Mobio stock option plan as approved by Mobio Shareholders at its 2016 Annual General Meeting, and also approved by the TSXV;

**“Incentive Plan Award”** means compensation awarded, earned, paid, or payable under a Stock Option or Incentive Plan;

**“Information Circular”** means the management proxy circular of Mobio to be sent by Mobio to the Mobio Shareholders in connection with the Mobio Meeting;

**“Interim Order”** means an interim order of the Court concerning the Arrangement in respect of Mobio, containing declarations and directions with respect to the Arrangement and the holding of the Mobio Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**“Intermediaries”** refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders;

**“Laws”** means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any governmental entity (including the TSXV) or self-regulatory authority, to the extent each of the foregoing have the force of

law, and the term “applicable” with respect to such laws and in a context that refers to one or more Parties, means such laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities; and “Laws” includes environmental laws;

“**Meeting**” means Mobio Meeting;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, 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 whose total compensation was, individually, more than \$150,000, 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 that financial year;

“**New Shares**” means the new class of common shares without par value which Mobio will create pursuant to §3.1 of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the Mobio Shares;

“**Notice of Meeting**” means the notice of special meeting of the Mobio Shareholders in respect of the Mobio Meeting;

“**Mobio Class A Shares**” means the renamed and redesignated Mobio Shares as described in §3.1 of the Plan of Arrangement;

“**Mobio Class A Preferred Shares**” means the Class “A” preferred shares without par value which Mobio will create and issue pursuant to §3.1 of the Plan of Arrangement;

“**Mobio Meeting**” means the special meeting of the Mobio Shareholders to be held on December 31, 2018, and any adjournment(s) or postponement(s) thereof;

“**Mobio Shareholders**” means the holders from time to time of Mobio Shares;

“**Mobio Shares**” means the common shares without par value in the authorized share capital of Mobio, as constituted on the date of this Circular;

“**Mobio Subsidiary**” means Plank;

“**Mobio Warrants**” means the common share purchase warrants of Mobio outstanding on the Effective Date;

“**Parties**” means Mobio and the Mobio Subsidiary; and “**Party**” means any one of them;

“**Plank**” means Plank Ventures Ltd. (formerly 0968998 B.C. LTD.), a private company incorporated under the BCBCA;

“**Plank Shareholder**” means a holder of Plank Shares;

“**Plank Shares**” means the common shares without par value in the authorized share structure of Plank, as constituted on the date of this Circular;

“**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

“**Plan of Arrangement**” means the plan of arrangement substantially in the form set out in Schedule A to the Arrangement Agreement, which Arrangement Agreement is attached as Schedule 4 to this Circular, and any amendment(s) or variation(s) thereto;

“**Registrar**” means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;

“**Registered Shareholder**” means a registered holder of Mobio Shares as recorded in the shareholder register of Mobio maintained by Odyssey Trust Company;

“SEC” means the United States Securities and Exchange Commission;

“SEDAR” means the System for Electronic Document Analysis and Retrieval;

“Share Distribution Record Date” means the date approved by the board of directors of Mobio, which date establishes the MOBIO Shareholders who will be entitled to receive Plank Shares, pursuant to the Plan of Arrangement;

“Subsidiary” means Mobio Subsidiary;

“Tax Act” means the Income Tax Act (Canada) and the regulations thereunder, all as amended from time to time;

“TSXV” means TSX Venture Exchange, a Canadian stock exchange, headquartered in Calgary, Alberta;

“U.S. Securities Act” means the United States Securities Act of 1933, as may be amended, or replaced, from time to time.

## ELECTION 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. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

The Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at three (3). Management of the Company proposes to nominate each of the following persons for election as a director. The following table sets out the names of the persons to be nominated for election as Directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected Director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

<i>Name, Municipality of Residence and Position</i>	<i>Principal occupation for last five years</i>	<i>Date Appointed</i>	<i>Number and Percentage of Common Shares beneficially owned or over which control or direction is exercised (2)</i>
<b>LAURIE BAGGIO</b> , <sup>1</sup> CEO & Director Canada	CEO of the Company; Investor, Entrepreneur	August 4, 2016	2,247,300 (10.0%)
<b>MICHAEL EDWARDS</b> <sup>1</sup> Director Canada	Principal, MSE Management Inc.	November 23, 2012	1,069,741 (4.8%)
<b>DEREK LEW</b> <sup>1-Chair</sup> Director Canada	CEO of GrowthWorks Capital Ltd. since August 24, 2018; previously Lawyer, Self-Employed	November 23, 2012	267,031 (1.2%)

(1) Member of the audit committee (the “Audit Committee”) of the Corporation.

(2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at November 20, 2018, based upon information furnished to the Corporation by individual Directors. Unless otherwise indicated, such Shares are held directly. These calculations include 3,994,779 common shares issued by the Corporation on November 9, 2018, after the Record Date.

# CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Shareholders and considers 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 of Directors is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), The Company has reviewed existing guidelines in terms of NI 58-101 and hereby discloses its corporate governance practices in compliance with NI 58-101, as summarized below.

## Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which 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.

The Board of Directors facilitates its independent supervision over management by reviewing all significant transactions of the Company.

The non-independent director is Laurie Baggio due to his position as the CEO of the Company.

## Directorships in Other Reporting Issuers

Certain of the directors are presently directors in one or more other reporting issuers, as follows:

Name of Director	Name of Other Reporting Issuer
Laurie Baggio	Lanebury Growth Capital Ltd.

## Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience and on the responsibilities of directors. Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

## Ethical Business Conduct

The Board of Directors has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the 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 have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## Board Review Process

The Board has adopted a policy on Board review process. The Board review process: (a) provides directors with an opportunity once each year to evaluate the Board’s and each Board committee’s performance and to make suggestions for its improvement; (b) provides an opportunity for the Board to comment on the Chairman’s leadership; (c) provides an opportunity for the Chairman to evaluate each director’s individual performance and to make suggestions for improvement.

The Board review process is overseen by the Board as a whole.

## Other Board Committees

The Board has no committees other than the audit committee.



# STATEMENT OF EXECUTIVE COMPENSATION

The following table sets forth all compensation for the periods indicated in respect of the individuals who served as the Chief Executive Officer and Chief Financial Officer of the Company at any time during the financial year of the Company, and all other executive officers of the Company who received, during the financial year of the Company, salary and bonus in excess of \$150,000 (collectively, the “Named Executive Officers”).

## Summary Compensation Table

The compensation (excluding compensation securities) for the Named Executive Officers and directors for the Company’s two most recently completed financial years is as set out below:

**Table of Compensation excluding Compensation Securities**

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Laurie Baggio, <sup>(1)</sup> CEO & Director	2018	120,000	Nil	Nil	Nil	Nil	120,000
	2017	120,000	Nil	Nil	Nil	Nil	120,000
Sheri Rempel, <sup>(2)</sup> CFO	2018	18,000	Nil	Nil	Nil	Nil	18,000
	2017	9,000	Nil	Nil	Nil	Nil	9,000
Michael Edwards, <sup>(3)</sup> Director, Former CEO	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	30,000	Nil	Nil	Nil	Nil	30,000
Kevin Rathbun, Former CFO	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	48,000	Nil	Nil	Nil	Nil	48,000

(1) Laurie Baggio was appointed Chief Executive Officer August 4, 2016 and receives compensation through his company, Phoenix Ventures Inc.

(2) Sheri Rempel was appointed Chief Financial Officer on January 31, 2017.

(3) Michael Edwards ceased to be CEO of the Company on August 4, 2016.

(4) Kevin Rathbun resigned as CFO on January 31, 2017.

The Company relies solely on board discussions, without formal objectives, criteria or analysis, to determine the level of executive compensation. The Company and its subsidiaries have no employment contracts with any Named Executive Officers.

## Stock Options and Other Compensation Securities

The following table sets forth the options to purchase common shares of the Company outstanding at the end of period for the Named Executive Officers of the Company. The Company does not have any share award plans or share awards (vested or unvested) outstanding.

**Compensation Securities**

Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and % of class	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 year end (\$)	Expiry date
Laurie Baggio, <sup>(2)</sup> CEO & Director	Stock Options	75,000 Common Shares (100%)	Jan. 19/18	\$0.22	\$0.21	\$0.19	Jan. 19/28
Sheri Rempel, <sup>(3)</sup> CFO	Stock Options	12,500 Common Shares (100%)	Jan. 19/18	\$0.22	\$0.21	\$0.19	Jan. 19/28

(1) Each stock option entitles the holder to one Common Share upon exercise or release. For further information, see “Stock Option Plans and Other Incentive Plans” below.

(2) Laurie Baggio held a total of 75,000 stock options as at July 31, 2018.

(3) Sheri Rempel held a total of 12,500 stock options as at July 31, 2018.

There were no exercises of compensation securities by directors or NEOs during the most recently completed financial year.

### ***Compensation of Directors***

Compensation of directors is determined by a recommendation of the Board of Directors. Non-executive directors do not currently receive fees. Long term incentives (stock options) are granted from time to time, based on an existing complement of long term incentives, corporate performance and to be competitive with other companies of similar size and scope.

### ***Compensation of Named Executive Officers***

The Company's compensation philosophy for Named Executive Officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Company and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Company's executive officers, the Company takes into consideration a variety of factors including management's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; each executive officer's individual performance during the fiscal year; each executive officer's experience, skills and level of responsibility; the executive's historical compensation and performance within the Company; and existing market standards within the mining industry. Management presents its recommendations to the Board of Directors.

The Board of Directors approves compensation annually and on an as-needed basis, with input from management, on the specific work to be undertaken.

### ***Elements of NEO Compensation***

#### **Compensation Mix**

In keeping with the Company's philosophy to link executive compensation to corporate performance and to motivate executives to achieve exceptional levels of performance, the Company has adopted a model that includes both base salary and "at-risk" compensation comprised of participation in the Company's Long-Term Incentive Plan (stock options), as described below.

#### **Base Salary**

Directors are eligible to receive a day rate for consulting services when requested by the Company to provide services not normally considered to be within the scope of Directors' duties. The Board considers that this is appropriate for the Company's current stage of development. Base salaries are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention.

#### **Long Term Incentive Plan (Stock Options)**

Long term incentives are performance-based grants of stock options. The awards are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive's performance;
- (b) the executive's level of responsibility within the Company;
- (c) the number and exercise price of options previously issued to the executive; and
- (d) the overall aggregate total compensation package provided to the executive.

The value of any long-term options allocated is determined using the Black-Scholes model.

Management makes recommendations to the Board concerning the Company's Long-Term Incentive Plan based on the above criteria. Options are typically granted on an annual basis in connection with the review of executives' compensation packages. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

Stock compensation awards are also granted, at the discretion of the Board, to existing directors, employees, and consultants based on award levels in the past and Company performance, in compliance with applicable securities law, stock exchange, and other regulatory requirements. Share compensation grants may also be issued, at the discretion of the Board, throughout the year, to attract new directors, officers, employees or consultants. The Company's Board of Directors considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the director, officer, employee, or consultant in determining the level of incentive stock option compensation.

### **Benefits and Perquisites**

The Company's NEOs do not receive any benefits or perquisites. For additional details, see "Description of the Long-Term Incentive Plan" below.

### **Material Terms of NEO Agreements**

There are currently no NEO agreements with the Company.

### **Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

### **Termination and Change of Control Benefits**

There are no compensatory plans or arrangements with respect to any Named Executive Officer resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of the Name Executive Officer's responsibilities following a change in control.

## **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

As at July 31, 2018 there was no indebtedness outstanding with any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company 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 Company 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 Company, no proposed nominee for election as a Director of the Company 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 Company 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 Company or its subsidiaries,

in relation to a securities purchase program or other program.

## **APPOINTMENT AND REMUNERATION OF AUDITOR**

Management of the Company proposes to nominate Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia as auditors of the Company to hold office until the next Annual General Meeting of Shareholders, at a remuneration to be fixed by the directors.

# AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110, Audit Committees, requires every issuer to disclose annually certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

## AUDIT COMMITTEE

Pursuant to Section 224(l) of the *Business Corporations Act* (British Columbia), the policies of the TSX Venture Exchange (the “Exchange”) and Multilateral Instrument 52-110 (“MI 52-110”) *Audit Committees*, the Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. MI 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.

The Audit Committee did not hold any formal meetings in the fiscal year ending July 31, 2018. The Audit Committee reviews the interim and annual financial statements on a quarterly basis and discusses these statements with the Company’s auditor as necessary. In addition, all financial statements are recommended by the Audit Committee to the Board for approval.

### The Audit Committee’s Charter

The full text of the Audit Committee Charter is attached as Schedule “10” to this Information Circular.

### Composition of the Audit Committee

The following are members of the Audit Committee as at November 7, 2018:

	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Derek Lew, Chair	Y	Y
Laurie Baggio	N	Y
Michael Edwards	Y	Y

<sup>(1)</sup> As defined by Multilateral Instrument 52-110 (“MI 52-110”)

The Company is relying on the exemption provided under Section 6.1 of MI 52-110.

### Relevant Education and Experience

Each audit committee member has gained financial literacy through their years of experience serving as directors of private and public companies and serving on other audit committees. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the Company and its operating results. Each member has significant understanding of the business which the Company engages in and has an appreciation for the relevant accounting principles for that business.

### Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the 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 has the Company relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Nonaudit- Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

## Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “External Auditors”.

### **External Auditor Service Fees (By Category)**

The table below sets out all fees billed by the Company’s external auditor in each of the last two fiscal years. In the table “Audit Fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s financial statements for the fiscal year. “Audit-Related Fees” are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax Fees” are fees billed by the Company’s external auditors for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the external auditor for products and services not included in the foregoing categories:

<b>Financial Year Ended</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
July 31, 2018*	\$23,000	Nil	\$4,000	Nil
July 31, 2017	\$25,000	Nil	\$2,500	Nil

\* 2018 fiscal fees have been estimated

### Exemption in Section 6.1

The Company is a “venture issuer” as defined in MI 52-110 and is relying on the exemption in section 6.1 of MI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## **SUMMARY OF THE ARRANGEMENT**

The following is a summary of the information contained elsewhere in this Circular concerning a proposed reorganization of the Company by way of the Arrangement. Certain capitalized words and terms used in this summary are defined in the Glossary of Terms. This summary is qualified in its entirety by the more detailed information and financial statements appearing or referred to elsewhere in this Circular and the schedules attached hereto.

The Company is a publicly traded technology company with its shares listed on the TSXV. On August 28, 2018, the Company entered into the Arrangement Agreement to transfer certain investments of the Company in various businesses to Plank. The full list of these investments is provided in Schedule B to the Arrangement Agreement. The Arrangement Agreement is attached as Schedule 4 to this Circular.

Pursuant to the terms of the Arrangement Agreement, the Company and Plank agreed to bear their own costs and expenses in connection with the transactions contemplated in the agreement; Plank may conduct debt or equity financing and acquire additional assets after the date of the Arrangement Agreement.

As a result of the Arrangement, for every share of the Company held by the Company’s shareholder at the close of business on the Share Distribution Record date, shareholders will receive one share of Plank. The record date will be determined by the board of directors of the Company and announced at a later date.

The Arrangement will have to be approved by a special resolution of the shareholders of the Company, the TSX Venture Exchange and the Supreme Court of British Columbia, and will have to be filed with the Corporate Registry of British Columbia before it becomes effective.

The Company plans to continue with its main business, running Strutta.com Media Inc. (“Strutta”), a social promotions platform that helps marketers bring potential customers from stranger to fan to customer, and Strutta’s Promotions API provides a technology platform that facilitates social media competitions and campaigns for global brands.

Strutta was founded in 2008 originally as a social media platform to facilitate competitions through videos posted by its users, it soon pivoted into hosting contests and sweepstakes for brands. In order to scale its offering, Strutta built a fully customizable software platform that facilitated custom developed

projects and provided a SaaS-style offering for smaller campaigns. As brands ramped up activities on social media platforms, Strutta supported the growth of their audiences and drove engagement through social promotions. In 2015, Strutta restructured its core technology around an API-based infrastructure, increasing capacity and answering the demand from clients for increased campaign flexibility. Today, Strutta serves a wide variety of clients in many different verticals with social media campaigns for marketing outreach and user generated content. The company has worked with AirBnB, Crate & Barrel, TripAdvisor, National Public Radio, Starbucks, and many other brands and agencies.

The Company believes that separating Plank from Mobio into one additional public company offers a number of benefits to shareholders.

a) First, the Company believes that after the separation, each company will be better able to pursue its own specific operating strategies without being subject to the financial constraints of the other businesses.

b) After the separation, each company will also have the flexibility to implement its own unique growth strategies, allowing each organization to refine and refocus its business strategy.

c) Additionally, because the resulting business will be focused on a separate line of business, it will be more readily understood by public investors, allowing each company to be better positioned to raise capital and align management and employee incentives with the interests of shareholders.

Each Mobio Shareholder as of the Share Distribution Record Date, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold one Mobio Share and its pro-rata share of the Plank Shares to be distributed under the Arrangement for each currently held Mobio Share. See “The Arrangement – Details of the Arrangement”.

## **Recommendation and Approval of the Board of Directors**

The directors of the Company have concluded that the terms of the Arrangement are fair and reasonable to, and in the best interests of, the Company and the Mobio Shareholders. The Board has therefore approved the Arrangement and authorized the submission of the Arrangement to the Mobio Shareholders, TSXV and the Court for approval. The Board recommends that Mobio Shareholders vote FOR the approval of the Arrangement. See “The Arrangement – Recommendation of Directors”.

## **Conduct of Meeting and Shareholder Approval**

The Interim Order provides that in order for the Arrangement to proceed, the Arrangement Resolution must be passed, with or without variation, by at least 66.66% of the eligible votes cast with respect to the Arrangement Resolution by Mobio Shareholders present in person or by proxy at the Meeting. See “The Arrangement – Shareholder Approval”.

## **Court Approval**

The Arrangement, as structured, requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order does not constitute approval of the Arrangement or the contents of this Circular by the Court.

The Notice of Hearing of the Petition with respect to the Final Order is attached to this Circular. In hearing the petition for the Final Order, the Court will consider, among other things, the fairness of the Arrangement to the Mobio Shareholders.

The Court will also be advised that based on the Court’s approval of the Arrangement, the Company and Plank will rely on an exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act for the issuance of the Plank Shares to any United States based Mobio Shareholders. Assuming approval of the Arrangement by the Mobio Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on or after January 8, 2019, at the Courthouse located at 800 Smithe Street, Vancouver, British Columbia, or at such other date and time as the Court may direct. At this hearing, any Mobio Shareholder or director, creditor, auditor or other interested party of the Company who wishes to participate or to be represented or who wishes to present evidence or argument may do so, subject to filing an application response and satisfying certain other requirements.

## Income Tax Considerations

Mobio Shareholders are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances regarding taxes resulting from the Plan of Arrangement.

## Right to Dissent

Mobio Shareholders will have the right to dissent from the Plan of Arrangement as provided in the Interim Order, the Plan of Arrangement and sections 237 to 247 of the Act. Any Mobio Shareholder who dissents will be entitled to be paid in cash the fair value for their Mobio Shares held so long as such Dissenting Shareholder: (i) does not vote any of his, her or its Mobio Shares in favour of the Arrangement Resolution, (ii) provides to the Company written objection to the Plan of Arrangement to the Company's registered office at 1080-789 West Pender Street, Vancouver, British Columbia V6C 1H2, at least two (2) days before the Meeting or any postponement(s) or adjournment(s) thereof, and (iii) otherwise complies with the requirements of the Plan of Arrangement and section 237 to 247 of the Act.

## Stock Exchange Listing

The Mobio Shares are currently listed and traded on the TSXV and will continue to be listed on the TSXV following completion of the Arrangement as long as Mobio meets the TSXV continued listing requirements. **There can be no guarantee that the continued listing requirements of the TSXV will be met after the completion of the Plan of Arrangement. If Mobio cannot demonstrate that it will meet the continued listing requirements of the TSXV, then the TSXV will downgrade the Mobio Shares to NEX in conjunction with the transfer of Assets to Plank pursuant to the Plan of Arrangement.ssssss**

**There can be no guarantee that the Plank Shares will be listed on any stock exchange after the completion of the Arrangement.**

## Information Concerning Mobio and Plank after the Arrangement

Following completion of the Arrangement, Mobio will continue to carry on its primary business activities. The Mobio Shares will continue to be listed on the TSXV, subject to meeting the continued listing requirements. Each Mobio Shareholder will continue to be a shareholder of the Company. Each Mobio Shareholder on the Share Distribution Record Date will receive one Plank Share for every four Mobio Shares. See "The Company after the Arrangement" for a summary description of the Company assuming completion of the Arrangement, including selected pro-forma unaudited financial information for the Company.

Following completion of the Arrangement, Plank will be in the business of facilitating financial transactions in the area of and production facilities. Plank will become a reporting issuer in British Columbia and Alberta.

## Selected Unaudited Pro-forma Financial Information for the Company

The following selected pro-forma financial information for the Company is based on the July 31, 2018 financial statement of the Company with the assumptions described in the notes to the Company's unaudited pro-forma balance sheet as at July 31, 2018, attached to this Circular as Schedule 6. The pro-forma balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on July 31, 2018.

	<b>Pro-forma as at July 31, 2018 on completion of the Arrangement</b>
	(unaudited)
Cash	76,828
Restricted cash	25,235
Accounts receivable	14,074
Deposits and prepaid expenses	20,251

<b>Current Assets</b>	<b>136,388</b>
Due from Plank	5,452,889
Fixed assets	1,825
<b>Non-Current Assets</b>	<b>5,454,714</b>
<hr/>	
<b>TOTAL ASSETS</b>	<b>5,591,102</b>
Trade payables and accruals	295,618
Short-term loans payable	528,223
Deferred revenue and customer deposits	631
<b>Current Liabilities</b>	<b>824,472</b>
Share capital	24,531,666
Warrant reserve	565,664
Equity portion of debt	35,366
Share-based payments reserve	387,056
Deficit	(20,753,122)
<b>Total Equity</b>	<b>4,766,630</b>
<hr/>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>5,591,102</b>

## Selected Financial Information for Plank

In connection with the Arrangement, Mobio will transfer to Plank the assets described in the Arrangement Agreement.

The following selected unaudited financial information of Plank as at July 31, 2018 has been extracted from the audited financial statements of Plank attached to this Circular as Schedule 8. The following unaudited Pro-forma Financial information for Plank is based on the assumptions described in the notes to the Mobio unaudited pro-forma balance sheet as at July 31, 2018, attached to this Circular as Schedule 6. The pro-forma balance sheet has been prepared based on the assumption that, among other things, the Arrangement had occurred on July 31, 2018.

	As of July 31, 2018	Pro-forma as at July 31, 2018 on completion of the Arrangement
	(audited)	(unaudited)
Assets.....	<u>\$55</u>	<u>\$952,070</u>
Share Capital	\$536,521	\$0
<b>Shareholder's Equity</b>	<b><u>(5,721,143)</u></b>	<b><u>(4,769,128)</u></b>
Number of common shares outstanding	15,265,212	18,419,433



## Risk Factors

***In considering whether to vote for the approval of the Arrangement, Mobio Shareholders should be aware that there are various risks, including those described in the Section entitled “Risk Factors” in this Circular. Mobio Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.***

## THE ARRANGEMENT

The following description concerning a proposed reorganization of the Company by way of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement and the Plan of Arrangement, a copy of which is attached as Schedule 4 to this Circular, is available for inspection at the registered office of the Company at 1080-789 West Pender Street, Vancouver, BC, V6C 1H2 and is available on [www.sedar.com](http://www.sedar.com) under the profile of the Company. Each of these documents should be read carefully in their entirety. Certain capitalized words and terms used in this summary are defined in the Glossary of Terms. The information contained herein is dated as of the date of this Information Circular, unless otherwise indicated.

### Mobio and its Business

The Company is a publicly traded company with its shares listed on the TSXV. It is in the business of software technology.

### Plank and its Business

Plank was incorporated on May 1, 2013 and is a wholly owned subsidiary of Mobio. Plank intends to enter into the business of venture financing and invest in business to business software technology.

### Details of the Arrangement

The Arrangement has been proposed to facilitate spinning out of Mobio’s non-core asset into its subsidiary Plank. The Arrangement is described in Article 3.1:

3.1 On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the Parties, but subject to the provisions of Article 6:

- (a) *subject to the obtaining the required approvals, MOBIO will transfer the Assets to Plank in consideration for the number equal to the number of MOBIO Shares as of the Record Date of Plank common shares less the number of Plank common shares already issued to MOBIO (collectively the “Distributed Plank Shares”). The central securities register of Plank shall be amended accordingly.*
- (b) *The authorized share capital of MOBIO will be altered by:*
  - a. *changing the identifying name of the MOBIO Shares to Class A common shares without par value, being the “MOBIO Class A Common Shares”;*
  - b. *creating a class consisting of an unlimited number of common shares without par value (the “New MOBIO Shares”); and*
  - c. *creating a class consisting of an unlimited number of Class A preferred shares without par value, having the rights and restrictions described in Schedule A to the Plan of Arrangement, being the MOBIO Class A Preferred Shares.*

- (c) *Each issued MOBIO Class A Common Share will be exchanged for one New MOBIO Share and one MOBIO Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the MOBIO Class A Common Shares will be removed from the central securities register of MOBIO and will be added to the central securities register as the holders of the number of New MOBIO Shares and MOBIO Class A Preferred Shares that they have received on the exchange.*
- (d) *All of the issued MOBIO Class A Common Shares will be cancelled with the appropriate entries being made in the central securities register of MOBIO and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the MOBIO Class A Common Shares immediately prior to the Effective Date will be allocated between the New MOBIO Shares and the MOBIO Class A Preferred Shares so that the aggregate paid up capital of the MOBIO Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Plank Shares as of the Effective Date, and each MOBIO Class A Preferred Share so issued will be issued by MOBIO at an issue price equal to the aggregate fair market value of the Distributed Plank Shares as of the Effective Date, divided by the number of issued MOBIO Class A Preferred Shares, such aggregate fair market value of the Distributed Plank Shares to be determined as at the Effective Date by resolution of the board of directors of MOBIO. MOBIO will redeem the issued MOBIO Class A Preferred Shares for consideration consisting solely of the Distributed Plank Shares such that each holder of MOBIO Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Plank Shares that is equal to the number of MOBIO Class A Preferred Shares held by such holder multiplied by the Conversion Factor.*
- (e) *MOBIO will redeem the issued MOBIO Class A Preferred Shares for consideration consisting solely of the Distributed Plank Shares such that each holder of MOBIO Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Plank Shares that is equal to the number of MOBIO Class A Preferred Shares held by such holder multiplied by the Conversion Factor;*
- (f) *The name of each holder of MOBIO Class A Preferred Shares will be removed as such from the central securities register of MOBIO, and all of the issued MOBIO Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of MOBIO.*
- (g) *The Distributed Plank Shares transferred to the holders of the MOBIO Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of MOBIO Class A Preferred Shares and appropriate entries will be made in the central securities registers of Plank.*
- (h) *The MOBIO Class A Common Shares and the MOBIO Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(e) above are completed, will be cancelled and the authorized share structure of MOBIO will be changed by eliminating the MOBIO Class A Common Shares and the MOBIO Class A Preferred Shares therefrom.*
- (i) *The Notice of Articles of MOBIO will be amended to reflect the changes to its authorized share structure made pursuant to the Plan of Arrangement.*

No fractional Plank Shares shall be distributed to the Mobio Shareholders and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed Plank Share not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of Mobio in its absolute discretion.

The full list of the Assets that will be transferred to Plank is provided in Schedule B to the Arrangement Agreement. The Arrangement Agreement is attached as Schedule 4 to this Circular.

Following the Arrangement, Mobio will continue to carry on its primary business activity of running Strutta. Each Mobio Shareholder will receive one common share of Plank for every one Mobio Shares they own on the Share Distribution Record Date.

## **The Meeting**

At the Mobio Meeting, the Mobio Shareholders will be asked, to consider and, if thought fit, to pass resolutions with respect to the matters described in the Notice of Meeting and this Circular.

By passing the resolutions regarding the Arrangement, the Mobio Shareholders will also be giving authority to the boards of directors of Mobio to use their best judgment to proceed with and cause the Arrangement without any requirement to seek or obtain any further approval of the Mobio Shareholders.

## **Effect of the Arrangement on Mobio Shareholders**

Following the Arrangement, the Company will continue to carry on its primary business activities.

Each Mobio Shareholder as of the Share Distribution Record Date, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold one Plank Share with respect to every one Mobio Share.

As of the date of this Circular, there are 22,414,212 Mobio Shares issued and outstanding. The option and warrant holders of Mobio will not be receiving options or warrants in Plank pursuant to the Arrangement.

## **Background to and Benefits of the Arrangement**

Management of Mobio discussed the possibility of the Arrangement and believes that the Arrangement is in the best interest of Mobio.

No insiders, promoters, or control persons of Mobio will receive any consideration in addition to their usual remuneration if the transaction proceeds except as disclosed below.

Laurie Baggio is the CEO and a director of Mobio. He is a director of Plank. In addition to his positions with Mobio, he will be the CEO and a director Plank following the Arrangement.

Initially, all current directors and officers of Mobio will become directors and officers of Plank.

The board of directors of Mobio believes that separating Mobio into one additional public company offers a number of benefits to shareholders.

- 1) First, the Company believes that after the separation, each company will be better able to pursue its own specific operating strategies without being subject to the financial constraints of the other businesses.
- 2) After the separation, each company will also have the flexibility to implement its own unique growth strategies, allowing each organization to refine and refocus its business strategy.
- 3) Additionally, because the resulting businesses will be focused on separate businesses, they will be more readily understood by public investors, allowing each company to be better positioned to raise capital and align management and employee incentives with the interests of shareholders.

## **Approval**

### *Mobio Shareholder Approval*

The Interim Order provides that in order for the Arrangement to proceed, the Arrangement Resolution must be passed, with or without variation, by at least 66.66% of the eligible votes cast with respect to the Arrangement Resolution by Mobio Shareholders present in person or by proxy at the Meeting.

Notwithstanding the foregoing, the special resolution to approve the Arrangement will authorize the boards of directors of Mobio, without further notice or approval of the Mobio Shareholders, subject to the terms of the Arrangement, to amend the Arrangement, to decide not to proceed with the Arrangement and to revoke such special resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the Act.

*Shareholder Approval of the Plan of Arrangement for Plank*

Mobio, being the sole shareholder of Plank, has approved the Arrangement by consent resolution.

#### *Court Approval of the Arrangement*

The Arrangement, as structured, requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order does not constitute approval of the Arrangement or the contents of this Circular by the Court. The Interim Order is attached as Schedule 1 to this Circular.

The Notice of Hearing for the Final Order is attached as Schedule 2 to this Circular. In hearing the petition for the Final Order, the Court will consider, among other things, the fairness of the Arrangement to the Mobio Shareholders. The Court will also be advised that based on the Court's approval of the Arrangement, the Company and Plank will rely on an exemption from registration pursuant to Section 3(a)(10) of the U.S. Securities Act for the issuance of the Plank Shares to any United States based Mobio Shareholders. Assuming approval of the Arrangement by the Mobio Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on or after January 8, 2019 at the Courthouse located at 800 Smithe Street, Vancouver, British Columbia, or at such other date and time as the

Court may direct. At this hearing, any Mobio Shareholder or director, creditor, auditor or other interested party of the Company who wishes to participate or to be represented or who wishes to present evidence or argument may do so, subject to filing an application response and satisfying certain other requirements.

The Court has broad discretion under the Act when making orders in respect of arrangements and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. There can be no guarantee that the Court will approve the plan of arrangement. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to the Mobio Shareholders.

### **Right to Dissent**

Mobio Shareholders will have the right to dissent from the Plan of Arrangement as provided in the Interim Order, the Plan of Arrangement and sections 237 to 247 of the Act. Any Mobio Shareholder who dissents will be entitled to be paid in cash the fair value for their Mobio Shares held so long as such Dissenting Shareholder: (i) does not vote any of his, her or its Mobio Shares in favour of the Arrangement Resolution, (ii) provides to the Company written objection to the Plan of Arrangement to the Company's registered office at 1080-789 West Pender Street, Vancouver, BC V6C 1H2, at least two (2) days before the Meeting or any postponement(s) or adjournment(s) thereof, and (iii) otherwise complies with the requirements of the Plan of Arrangement and section 237 to 247 of the Act.

### **Stock Exchange Listing**

The Mobio Shares are currently listed and traded on the TSXV and are expected to continue to be listed on the TSXV following completion of the Arrangement.

The closing of the Arrangement is conditional on the Court and TSXV approving the Plan of Arrangement.

**The can be no guarantee that the shares of Plank will ever be listed on any stock exchange.**

#### **Recommendation and Approval of the Board of Directors**

**The directors of Mobio have concluded that the terms of the Arrangement are fair and reasonable and in the best interests of Mobio and the Mobio Shareholders. The Board has therefore approved the Arrangement and authorized the submission of the Arrangement to the Mobio Shareholders for approval. The Board recommends that Mobio Shareholders vote FOR the approval of the Arrangement.** In reaching this conclusion, the Board considered the benefits to the Company and the Mobio Shareholders, as well as the financial position, opportunities and the outlook for the future potential and operating performance of the Company.

## **Fairness of the Arrangement**

The Arrangement was determined to be fair to the Mobio Shareholders by the Board based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for 66.66% Mobio Shareholder approval and approval by the Court after a hearing at which fairness will be considered;
2. the opportunity for Mobio Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order, and to be paid fair value for their Mobio Shares; and
3. each Mobio Shareholder on the Share Distribution Record Date will participate in the Arrangement on a pro-rata basis and, upon completion of the Arrangement, will continue to hold substantially the same pro-rata interest that such Mobio Shareholder held in the Company prior to completion of the Arrangement and substantially the same *pro-rata* interest in Plank through its direct holdings of Plank Shares rather than indirectly through the Company's holding of Plank Shares.

## **Authority of the Board**

By passing the Arrangement Resolution, the Mobio Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the Mobio Shareholders.

The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to Mobio Shareholders. The Board has no current intention to amend the Plan of Arrangement; however, it is possible that the Board may determine that it is appropriate that amendments be made.

## **Conditions to the Arrangement**

The Arrangement Agreement provides that the Arrangement will be subject to the fulfillment of certain conditions, including the following:

1. the Arrangement Agreement must be approved by the Mobio Shareholders at the Meeting in the manner referred to under "Shareholder Approval";
2. the Arrangement must be approved by the Court in the manner referred to under "Court Approval of the Arrangement";
3. all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to the Company and Plank; and
4. the Arrangement Agreement must not have been terminated.

If any of the conditions set out in the Arrangement Agreement are not fulfilled or performed, the Arrangement Agreement may be terminated, or in certain cases the Company or Plank, as the case may be, may waive the condition in whole or in part. As soon as practicable after the fulfillment of the conditions contained in the Arrangement Agreement, the Board intends to cause a certified copy of the Final Order to be filed with the Registrar under the Act, together with such other material as may be required by the Registrar, in order for the Arrangement to become effective.

## **Proposed Timetable for Arrangement**

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Meeting: December 31, 2018

Final Court Approval: January 8, 2019

Share Distribution Record Date: To be determined and announced by the board of directors of Mobio

Effective Date: To be determined

Issuing and Mailing of DRS statements of the Subsidiaries: To be determined

Notice of the actual Share Distribution Record Date, Effective Date and issuing and mailing of DRS statements will be given to the Mobio Shareholders through one or more press releases. The boards of directors of Mobio and Plank will determine the Effective Date depending upon satisfaction that all of the conditions to the completion of the Arrangement are satisfied.

## Issuance of Plank Shares

As soon as practicable and cost effective after the Effective Date, share certificates or certificates of direct share registration (as may be determined by the boards of directors of Plank) representing the appropriate number of Plank Shares will be sent to all Mobio Shareholders of record on the Share Distribution Record Date.

Due Bill trading procedures pursuant to section 13 of TSXV Policy 3.2 may apply in respect of the share distribution and, if applicable, a full explanation of such procedures will be given to Mobio Shareholders sufficiently in advance of the Share Distribution Record Date by press release.

## Relationship between the Company and Plank after the Arrangement

As previously disclosed in this Circular, it is expected that on completion of the Arrangement, three current directors of Mobio will be directors and officers of Plank. However, Plank will be looking for additional directors and officers before and after the Arrangement.

## Resale of Plank Shares

### *Exemption from Canadian Prospectus Requirements and Resale Restrictions*

The issue of the Plank Shares pursuant to the Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable provincial securities legislation in Canada.

Existing hold periods on any Mobio Shares in effect on the Effective Date will remain in effect.

***The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the Mobio Shares and Plank Shares received upon completion of the Arrangement. All holders of Mobio Shares are urged to consult with their own legal counsel to ensure that any resale of their Plank Shares complies with applicable securities legislation.***

### *Application of United States Securities Laws*

The Plank Shares to be issued to the Mobio Shareholders under the Arrangement have not been registered under the U.S. Securities Act, or under the securities laws of any state of the United States, and will be issued to Mobio Shareholders resident in the United States in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Arrangement by the Court, and pursuant to available exemptions from registration under applicable state securities laws. The Court will be advised that the Court's approval, if obtained, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act.

### *U.S. Resale Restrictions – Securities Issued to Mobio Shareholders*

Plank Shares to be issued to a Mobio Shareholder who is an "affiliate" of either the Company or Plank prior to the Arrangement or will be an "affiliate" of Plank after the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. Pursuant to Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer for the purposes of the U.S. Securities Act is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer.

**The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the securities received upon completion of the Arrangement. All holders of securities received in connection with the Arrangement are urged to consult with**

**counsel to ensure that the resale of their securities complies with applicable securities legislation.**

After the Plan of Arrangement Plank will become a reporting issuer; however, unless its shares are listed on a share exchange, there will be no market for the Plank Shares.

## **Expenses of Arrangement**

The costs relating to the Arrangement, including without limitation, financial, advisory, accounting and legal fees will be borne by Mobio.

# **INFORMATION CONCERNING THE COMPANY**

## **Note to Reader**

The disclosure in this section has been prepared prior to giving effect to the Arrangement. Unless otherwise defined herein, all capitalized words and phrases used herein have the meanings ascribed to such words and phrases under the headings “Glossary of Terms” in the Circular.

## **Name, Address and Incorporation**

The full name of the Company is Mobio Technologies Inc. The head office of the Company is located at 1080-789 West Pender Street, Vancouver, BC V6C 1H2. The registered and records office of the Company is located at 1080-789 West Pender Street, Vancouver, BC V6C 1H2.

The Company was originally formed pursuant to the *Business Corporations Act* (Alberta) on November 19, 1998. On December 6, 2012, the Company changed its name to LX Ventures Inc. and was continued into British Columbia under the *Business Corporations Act* (British Columbia). On July 7, 2014, the Company again changed its name to Mobio Technologies Inc. to better reflect the activities of the Company at that point in time and anticipated going forward.

Plank is a wholly owned subsidiary of the Company and was incorporate on May 1, 2013 under *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57.

## **Directors and Officers**

The completion of the Arrangement will not cause any changes in the directors of the Company who are elected at the Meeting.

## **Business of the Company – Three-year history**

Over the past several years, Mobio has completed a series of acquisitions that give it a footprint in the social media space. The Company is now focused primarily on one of these acquired assets, Strutta.com Media Inc. (“Strutta”). Strutta is a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels.

The Company’s primary objective is to locate, evaluate and acquire investments in software technology and to finance their activities by way of equity financing, option agreements and/or by other means.

## **Financial Year 2015**

### **Development of the Company’s Business**

Over the past two years, Mobio has completed a series of acquisitions that give it a footprint in the social media space. The Company was focused on two of these acquired assets, Strutta.com Media Inc. (“Strutta”), and Twenty Year Media Corp. (“TYM”). Strutta, acquired during the prior fiscal year, is a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels. TYM is a media and technology company developing advanced technologies for the entertainment and motion picture sector, and also owns and operates Emerging Pictures, a US-based all digital film and alternative content distribution network.

As part of the proposed Plan of Arrangement, Mobio’s interest in TYM will be transferred to Plank.

On May 27, 2015, the Company announced that it has signed a Letter of Intent (“LOI”) to acquire TYM, and the acquisition of control of TYM closed subsequent to the Company’s year end, on September 18, 2015.

TYM's business revolves around providing media content distribution, sales and promotion services to theatres and consumers throughout North America. TYM's innovative media technology approach uses predictive data and social intelligence to attack the excess capacity issues of the \$40 billion North American cinema market, using analytics to align content with audiences and screen owners.

In addition to developing advanced technologies for the entertainment and motion picture sector, TYM owns and operates Emerging Pictures, a US-based all-digital film and alternative content network of movie theaters.

Using data and social media analysis together with seamless digital delivery to theaters, the Emerging Pictures platform enables content owners and exhibitors to be more effective and innovative in their distribution strategies and programming decisions. Emerging Pictures works with content and data partners such as Sony Pictures Classics, Magnolia Pictures, IFC, and Vimeo to maximize the value of their content. Recent releases include, Sony's Oscar winner Whiplash, IFC's acclaimed Boyhood, and Vimeo's documentary about the death of Kurt Cobain, Soaked In Bleach. TYM's Emerging Pictures division also recently released You've Been Trumped, an acclaimed documentary about US-presidential candidate, Donald Trump.

TYM's proprietary social media platform and accompanying suite of tools that identify and amplify demand across the distribution network in combination with advanced audience targeting systems and ticketing engine is marketed under [www.wannawatch.it](http://www.wannawatch.it). In combination with the Emerging Pictures digital delivery technology, TYM empowers the demand-driven distribution of the films across entire networks, creating a seamless and integrated end-to-end solution for exhibitors and moviegoers.

### **Private Placement Financing**

On May 27, 2015, Mobio announced a non-brokered private placement financing (the "Private Placement") under which it intended to raise up to \$750,000 through the issuance of up to 12,500,000 units at a price of \$0.06 per unit (a "Unit").

On June 15, 2015, Mobio closed the Private Placement. Each Unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of \$0.10 for a period of 12 months from closing. The Private Placement closed on an oversubscribed basis, resulting in the issuance of 13,665,999 Units for gross proceeds of \$819,960. Transaction costs included the payment of finder's fees totalling \$28,700 in cash plus 478,333 finders' warrants, each finders' warrant having the same terms as the warrants forming part of the Units. All securities issued in connection with the offering were subject to a four-month-and-a-day hold period which expired on October 16, 2015.

### **Financial Years 2016 and 2017**

During the prior year, on September 18, 2015, Mobio acquired a controlling interest in Twenty Year Media Corp. ("TYM"), a media and technology company developing technologies for the entertainment and motion picture sector and operating an all-digital film and alternative content distribution network. On January 28, 2016, the Company completed a series of transactions with respect to the recapitalization of TYM and no longer retains control over TYM (see section 2 – Business Combinations, Acquisitions, and Dispositions).

As part of the proposed Plan of Arrangement, Mobio's interest in TYM will be transferred to Plank.

### **Management**

On January 31, 2017, Mr. Kevin Rathbun resigned his position as Chief Financial Officer and the Company appointed Ms. Sheri Rempel Wennberg as Chief Financial Officer effective February 1, 2017. Ms. Rempel has more than 25 years of experience with multiple reporting issuers in financial reporting, regulatory compliance, internal control and corporate finance activities. She is currently Chief Financial Officer of Lanebury Growth Capital Ltd. (formerly NU2U Resources Corp.), Serengeti Resources Inc., and Victory Square Technology Inc., among other companies.

On August 4, 2016, the Company appointed Laurie Baggio as Chief Executive Officer. Michael Edwards, the former Chief Executive Officer, remains on the Company's Board of Directors. Mr. Baggio is an



accomplished entrepreneur and brings a wealth of operating and investing experience to Mobio. He was one of the original executives of 1-800-GOT-JUNK?, most recently serving as its Chief Operating Officer. During his tenure, he helped build the franchise into the world's largest junk removal service in North America and Australia, winning many awards along the way, including being named to BC's Top Employer's list on multiple occasions. Additionally, he has been an investor, board member, and advisor to many start-up and high-growth companies, including in the technology space. Companies he has recently been involved with include Moj.io, a company bringing smart technology to cars, Beanworks Solutions, an advanced software-based accounts payable solution provider, and Foodee Media, an online delivery and takeout ordering platform. As Chief Executive Officer of Mobio, Mr. Baggio will be focusing on new technology initiatives, investment opportunities, and product growth.

## **Financing Activities**

On November 7, 2017, the Company received a loan in the amount of \$150,000 from Lanebury Growth Capital Ltd. ("Lanebury"), a company with a common director and a common officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on November 7, 2018.

On October 3, 2017, the Company received a loan in the amount of \$50,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on October 3, 2018.

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on September 12, 2018.

On July 26, 2017, the Company received a loan in the amount of \$100,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 26, 2018. Interest of \$137 is accrued on the loan at July 31, 2017.

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 12, 2018. Interest of \$241 is accrued on the loan at July 31, 2017.

On August 24, 2016, the Company closed a non-brokered private placement for gross proceeds of \$1,627,500. The Company issued 16,275,000 units (each a "Unit") to investors at a price of \$0.10 per unit, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of \$0.15 for a period of 24 months, subject to certain acceleration provisions in the event that the Company's shares have a closing price of \$0.40 or higher for 10 consecutive trading days. In connection with the private placement, the Company incurred share issuance costs of \$32,861 including cash finders' fees of \$12,250 and issued 122,500 finders' warrants (the "Finders Warrants"). The Finders Warrants have the same exercise price and terms as the warrants forming part of the Units. The fair value of warrants issued in connection with the private placement was \$443,593. All securities issued in connection with the private placement are subject to a four-month-and-a-day hold period.

During the prior year, on July 28, 2016, the Company closed a non-brokered private placement for gross proceeds of \$440,000. The private placement consisted of the sale of 6,285,715 units at a price of \$0.07 per unit, with each unit comprising one common share and one-half of one common share purchase warrant, each warrant having an exercise price of \$0.15 and a life of 24 months, subject to certain acceleration provisions in the event that the Company's shares have a closing price of \$0.40 or higher for 10 consecutive trading days. The Company incurred transaction costs of \$7,419 in connection with the private placement. No finders' fees were paid.

With the closing of the private placements conducted in August 2016 and July 2016, the Company had cash resources available to continue pursuing its growth, investment, and technology development objectives.

On December 1, 2016, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "2016 Consolidation"). Prior to the 2016 Consolidation, the Company had 58,181,147 common shares issued and outstanding. No fractional shares were issued pursuant to the

2016 Consolidation, and subsequent to the 2016 Consolidation, the Company now has 29,090,557 common shares issued and outstanding.

During the prior year, on December 18, 2015, the Company consolidated its common shares on the basis of 1 new share for every 10 old shares (the "2015 Consolidation"). No fractional shares were issued pursuant to the 2015 Consolidation.

All references herein to the number of shares, options, warrants, weighted average number of common shares, including issuance and/or exercise prices, and loss per share, have been restated for all periods for the impacts of both the 2016 Consolidation and the 2015 Consolidation.

During the prior year, on December 15, 2015 the Company entered into a financing arrangement (the "Note Financing") with Lanebury Growth Capital Ltd. (the "Lender") by way of a secured convertible debenture in the principal amount of \$375,000 (the "Debenture").

The Debenture had an original maturity date of June 1, 2016 (the "Maturity Date"), with interest accruing at a rate of 12% per annum and payable upon maturity ("Interest"). At the option of the Lender, on or prior to the Maturity Date, the Principal Amount and all accrued Interest may have been converted into common shares of the Company (the "Conversion Right") at a price per common share of \$0.30, subject to such minimum conversion price as may be prescribed by the policies of the TSX Venture Exchange (the "Conversion"). The Lender could only elect to convert the Principal Amount and Interest in whole and not in part.

On January 15, 2016, the Company entered into a transaction with TYM and the Lender whereby \$250,000 of the Principal Amount and \$2,500 in Interest was assumed by TYM, and the Company agreed to transfer cash in the amount of \$250,000 to TYM, in aggregate, from the date of the Debenture's issuance. Upon completion of this transaction, the Debenture issued by the Company had a Principal Amount of \$125,000. The Maturity Date and rate of interest remained unchanged. The Conversion Right then only applied to the resulting \$125,000 Principal Amount and Interest accrued up to and including the Maturity Date.

During the year ended July 31, 2017, the Company repaid the Debenture and Interest in full, by way of a cash payment of \$135,730, as the Lender did not exercise the Conversion Right.

In connection with the Note Financing, the Company also issued to the Lender, share purchase warrants to purchase up to 625,000 common shares of the Borrower (the "Warrants"). The Warrants were issued with a life of one year and an exercise price of \$0.30. Subsequent to the Warrants being issued, by mutual agreement between the parties, the Warrants were terminated with no further cost to or impact on the Company.

## **Financial Year 2018**

### ***Share Consolidation***

During the year ended July 31, 2018, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "Consolidation"). Prior to the Consolidation, the Company had 36,838,907 common shares issued and outstanding. No fractional shares were issued pursuant to the Consolidation, and subsequent to the Consolidation, the Company had 18,419,453 common shares issued and outstanding.

During the prior year, on December 1, 2016, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "2016 Consolidation"). No fractional shares were issued pursuant to the 2016 Consolidation.

All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Consolidations, including all such numbers presented for the prior year.

### ***Financing Activities***

On August 30, 2018, the Company received a loan in the amount of \$379,828 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 30, 2020.

On August 20, 2018, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 20, 2020.

On August 17, 2018, the Company received a loan in the amount of \$200,000. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 17, 2020.

On April 23, 2018, the Company issued 433,335 common shares and 50,000 share purchase warrants to settle debt of \$65,000, of which \$25,000 was owing to a related party. The share purchase warrants are exercisable at \$0.30 per share for a period of two years from the date of issuance.

On March 26, 2018, the Company completed a private placement financing, issuing 3,333,340 units at a price of \$0.15 per unit for gross proceeds of \$500,001. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at \$0.30 for a period of two years from the date of issuance. The fair value of share purchase warrants issued in connection with the private placement was \$116,755 determined using the Black-Scholes pricing model with a risk-free rate of 1.79%, a volatility factor of 147.53%, dividends of nil, and an expected life of the warrants of two years. Share issuance costs of \$9,634 including finders' fees in the amount of \$6,072, and 40,475 finders' warrants with a fair value of \$3,167 were paid in connection with the private placement. The finders' warrants are exercisable at \$0.15 per share for a period of one year from the date of issuance.

On February 27, 2018, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on February 27, 2019. Current value includes accrued interest of \$864. During the year ended July 31, 2018, the Company accrued \$864 (year ended July 31, 2017 - \$Nil) in interest on the loan.

On December 21, 2017, the Company received a loan in the amount of \$100,000. The loan is unsecured, bears interest at 10% per annum and matures on December 21, 2018. Current value includes accrued interest of \$1,126. During the year ended July 31, 2018, the Company accrued \$4,891 (year ended July 31, 2017 - \$Nil) in interest on the loan and made a payment of \$25,000 in cash and \$25,000 in common shares of the Company. The loan balance at July 31, 2018 is \$54,891.

On December 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on December 12, 2018. During the year ended July 31, 2018, the Company recorded \$5,690 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan. (See Note 11– Short-Term Loans Payable).

On November 7, 2017, the Company received a loan in the amount of \$150,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on November 7, 2018. During the year ended July 31, 2018, the Company recorded \$19,722 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On November 6, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on November 6, 2018. During the year ended July 31, 2018, the Company recorded \$6,599 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On October 3, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on October 3, 2018. During the year ended July 31, 2018, the Company recorded \$7,436 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. During the year ended July 31, 2018, the Company accrued \$1,843 (year ended July 31, 2017 - \$Nil) in interest on the loan. Principal and any unpaid interest are due on September 12, 2018.

On July 27, 2017, the Company received a loan in the amount of \$100,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and

matured on July 27, 2018. During the year ended July 31, 2018, the Company recorded \$18,327 (year ended July 31, 2017 - \$137) in interest and accretion on the loan.

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured, bears interest at 10% per annum and matures on July 12, 2018. During the year ended July 31, 2018, the Company recorded \$7,839 (year ended July 31, 2017 – \$241) in interest and accretion on the loan and made a payment of \$25,000 in cash and \$25,000 in common shares of the Company. The balance of the loan at July 31, 2018 is \$4,147.

On August 24, 2016, the Company closed a non-brokered private placement for gross proceeds of \$1,627,501. The Company issued 8,137,500 units to investors at a price of \$0.20 per unit, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of \$0.30 for a period of 24 months. In connection with the private placement, the Company incurred share issuance costs of \$32,861 including cash finders' fees of \$12,300 and 122,500 finders' warrants valued at \$6,580. The finders' warrants have the same exercise price and terms as the warrants issued as part of the private placement units. The fair value of warrants issued in connection with the private placement was \$437,014.

The Company's goal is to make profitable investments in the software technology and facilitate business to business transactions between various start-up companies in the technological arena; however there are a number of inherent risks and uncertainties related to the commercial viability of any technologies the Company is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to consider important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended.

## **Business of the Company Following the Arrangement**

Following completion of the Arrangement, Mobio will continue with its current business.

## **Description of Share Capital**

The authorized share capital of the Company consists of an unlimited number of common shares with no special rights and restrictions attached and an unlimited number of preferred shares with special rights and restrictions attached to them.

## **Changes in Share Capital**

As at the date of this Circular, the Company had: a) 22,414,212 common shares; b) 537,125 options outstanding with a weighted average exercise price and contractual remaining life of \$1.09 and 7.11 years, respectively; and c) 1,757,145 warrants outstanding with a weighted average exercise price and contractual remaining life of \$0.30 and 1.38 years, respectively.

The Company has no preferred shares issued and outstanding.

The Share Capital of the Company will be the same after the Arrangement as it was before the Arrangement.

## **Dividend Policy**

Mobio has not paid dividends since incorporation. Mobio currently intends to retain all available funds, if any, for use in its business.

## Prior Issuance of Securities by the Company

The following table provides the particulars of the issuance of securities by the Company during the last 12 months.

Date	Security	Issue Price
March 23, 2018	3,333,340 units consisting of one common share and ½ of share purchase warrant; each full warrant exercisable for two years at \$0.30 per share.	\$0.15
November 9, 2018	3,994,779 Common shares	\$0.09

## Trading Price and Volume

The Mobio Shares are listed and posted for trading on the TSXV under the symbol “MBO”. The following tables sets forth, for the periods indicated, the reported high and low trading prices and the aggregate volume of trading of the Mobio Shares on the TSXV during the last 12 months. On May 8, 2018, Mobio completed a consolidation of its common shares on the basis of one post-consolidation common share for every two pre-consolidation common shares:

Month	Closing price, \$		Volume
	High	Low	
September, 2018	\$0.135	\$0.13	146,725
August, 2018	\$0.18	\$0.13	106,904
July, 2018	\$0.22	\$0.19	28,501
June, 2018	\$0.25	\$0.185	93,822
May, 2018	\$0.20	\$0.125	98,937
April, 2018	\$0.22	\$0.15	34,875
March, 2018	\$0.22	\$0.16	21,735
February, 2017	\$0.21	\$0.15	102,050
January, 2017	\$0.41	\$0.20	684,163
December, 2017	\$0.42	\$0.14	556,981
November, 2017	\$0.20	\$0.13	294,567
October, 2017	\$0.19	\$0.08	312,330

## Selected Unaudited Pro-Forma Financial Information of the Company

The following selected pro-forma financial information for the Company is based on the July 31, 2018 unaudited financial statements of the Company. The pro-forma balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on July 31, 2018.

	Pro-forma as at July 31, 2018 on completion of the Arrangement
	(unaudited)
Cash	76,828
Restricted cash	25,235
Accounts receivable	14,074
Deposits and prepaid expenses	20,251
<b>Current Assets</b>	<b>136,388</b>
Due from Plank	5,452,889
Fixed assets	1,825
<b>Non-Current Assets</b>	<b>5,454,714</b>
<b>TOTAL ASSETS</b>	<b>5,591,102</b>
Trade payables and accruals	295,618
Short-term loans payable	528,223
Deferred revenue and customer deposits	631
<b>Current Liabilities</b>	<b>824,472</b>
Share capital	24,531,666
Warrant reserve	565,664
Equity portion of debt	35,366
Share-based payments reserve	387,056
Deficit	(20,753,122)
<b>Total Equity</b>	<b>4,766,630</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>5,591,102</b>

## The Company's Year-End Financial Statements

The Company's audited financial statements and management's discussion and analysis for the years ended July 31, 2018 and 2017, including comparatives, are attached hereto as Schedule 7.

## Material Contracts

The following are the contracts material to Mobio:

- (1) The Arrangement Agreement;
- (2) Debt settlement agreement between Mobio and Code Consulting Ltd., dated November 2, 2018 and amendment thereof; and
- (3) Debt settlement agreement between Mobio and Phoenix Ventures Inc., dated November 2, 2018 and amendment thereof.

# INFORMATION CONCERNING PLANK

## Note to Reader

The disclosure in this section has been prepared prior to giving effect to the Arrangement. Unless otherwise defined herein, all capitalized words and phrases used herein have the meanings ascribed to such words and phrases under the headings “Glossary of Terms” in the Circular.

## Name, Address and Incorporation

Plank was incorporated as “0968998 B.C. LTD” pursuant to the Act on May 1, 2013. Plank is currently a private company and a wholly-owned subsidiary of Mobio. Plank’s registered and records offices are located at Suite 1080-789 West Pender Street, Vancouver, BC V6C 1H2.

On October 26, 2018 Plank changed its name from 0968998 B.C. LTD to Plank Ventures Ltd.

## Inter-corporate Relationships

Plank does not have any subsidiaries.

## Significant Acquisition and Dispositions

There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to this Arrangement described herein. Details of the Arrangement are provided under “The Arrangement”.

## Trends

Plank intends to provide business-to-business services and facilitate financial arrangements in the technology area.

Plank intends to raise sufficient capital to enable its activities.

Other than as disclosed in this Circular, Plank is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

## General Development of Plank’s Business

Plank was incorporated in British Columbia on May 1, 2013 as a wholly-owned subsidiary of the Company to acquire the assets of Mobio Technologies Inc. and give the Company its initial footprint in the AdTech sector, including acquisition of the flagship product, *Mobio INSider*, a social engagement platform through which fans could directly engage with influencers. On October 26, 2018 Plank changed its name from 0968998 B.C. LTD. to Plank Ventures Ltd. Plank intends to focus its investments on software-as-a-service business-to-business companies and facilitate financial arrangements in the technology area. Completion of the Arrangement is subject to the approval of the Arrangement by the Mobio Shareholders and the Court.

## Plank’s Business History

Plank was incorporated on May 1, 2013 as a wholly-owned subsidiary of the Company to own and operate *Mobio INSider* upon acquisition of the assets of Mobio Technologies Inc. *Mobio INSider* is a social engagement platform that allows fans to engage directly with influencers.

On May 17<sup>th</sup>, 2013, the Company (then LX Ventures Inc.) completed the acquisition of *Mobio Technologies Inc.* through Plank for consideration of 2,000,000 common shares of the Company. As the terms of the acquisition, certain former shareholders of *Mobio Technologies Inc.* were granted the right to invest up to \$1,000,000 in Plank, on or before March 16, 2014, based on a fully diluted post money valuation of \$5,000,000.

Beginning in October 2013, Company began to attract the attention of well-known celebrities in advance of *Mobio INSider’s* launch on December 1, 2013, and many household names in Hollywood signed up prior to the official product launch and since its launch, *Mobio Insider* attracted millions of unique visitors and page views, acquired approximately 221,000 registered users, and serve up approximately 22.1

million native ad impressions. On December 5, 2014, the Company announced that it has signed a definitive agreement with Red Thread Media Limited (“RTM”), a UK based technology company, to recapitalize Plank. RTM paid the initial \$85,000 to the Company under the terms of the definitive agreement and planned to acquire Plank by completing an equity financing and agreed to various cash payments and royalty streaming to the Company; however, RTM failed to satisfy all conditions precedents of the definitive agreement and during the year ended July 31, 2017 RTM confirmed it was not pursuing acquisition of Plank.

Subsequent to financial year end July 31, 2018, Plank received a loan in the amount of \$379,828 (US\$300,000) from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 30, 2020.

On October 26, 2018 Plank changed its name from 0968998 B.C. LTD. to Plank Ventures Ltd.

The Board of Mobio has determined that it would be in the best interests of the Company to continue to focus its business efforts on its current business and transfer specified assets to a subsidiary company, being Plank pursuant to a plan of arrangement, in exchange for Plank Shares that would be distributed to the Mobio Shareholders.

Pursuant to the Arrangement, Mobio will transfer to Plank all of Mobio’s certain assets as defined in the Arrangement Agreement in exchange for the number of the Plank Shares equal to the number of Mobio Shares multiplied by the Conversion Factor, which shares will be distributed to the Mobio Shareholders who hold Mobio Shares on the Share Distribution Record Date. Completion of the Arrangement is subject to the approval of the Arrangement by the Mobio Shareholders, the Court and the TSXV.

## Selected Unaudited Pro-Forma Financial Information of Plank

Plank owns and operates *Mobio Insider*, a social engagement platform that allows fans to engage directly with influencers. The following is a summary of certain financial information on a pro-forma basis for Plank as at July 31, 2018, assuming completion of the Arrangement as of such date, and should be read in conjunction with the unaudited pro-forma balance sheet of Mobio appended to this Circular as Schedule 6. This pro-forma balance sheet was prepared as if the Arrangement had occurred on July 31, 2018, taking into account the assumptions stated therein. The pro-forma balance sheet is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on July 31, 2018.

In addition, the pro-forma balance sheet is not necessarily indicative of the financial position that may be attained in the future.

	<b>Pro-forma as at July 31, 2018 on completion of the Arrangement</b>
	(unaudited)
Cash	\$55
<b>TOTAL ASSETS</b>	<b>952,070</b>
Current Liabilities	\$268,309
Due to the Company	5,452,889
<b>TOTAL LIABILITIES</b>	<b>5,721,198</b>
Contributed Surplus	1,488,536
Deficit	(6,257,664)
<b>TOTAL DEFICIENCY</b>	<b>(4,769,128)</b>
<b>TOTAL LIABILITIES AND DEFICIENCY</b>	<b>952,070</b>

The pro-forma change to Plank consists of the issuance of approximately 18,419,433 shares based on the conversion factor calculation for the assignment of the certain assets under the Arrangement Agreement which for accounting purposes isn’t ascribed any value. Plank did not qualify as a business



according to the definition in IFRS 3, the reverse takeover transaction does not constitute a business combination; rather it is treated as an issuance of shares for the net assets of Plank.

## Dividends

Plank does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the Plank Shares in the future will be made by the board of directors of Plank on the basis of the earnings, financial requirements and other conditions existing at such time.

## Business of Plank

Plank is not carrying on any business at the present time. On completion of the Arrangement Plank will commence its business as a company providing financing to various businesses in software technology area and will be evaluating other business opportunities.

## Liquidity and Capital Resources

Pursuant to the Arrangement, Mobio will transfer to Plank the assets described in the Arrangement Agreement in exchange for the same number of Plank Shares as the issued and outstanding number of Mobio Shares multiplied by the Conversion Factor, which shares will be distributed to the Mobio Shareholders who hold Mobio Shares on the Share Distribution Record Date.

Plank is a start-up company and therefore has no regular source of income. As a result, Plank's ability to conduct operations, is based on its ability to raise funds, primarily from equity sources, and there can be no assurance that Plank will be able to do so.

See "Selected Unaudited Pro-forma Financial Information" for information concerning the financial assets of Plank resulting from the Arrangement.

## Results of Operations

During the year ended July 31, 2018 Plank has not carried out any commercial operations. Subsequent to year end, Plank received a loan in the amount of \$379,828 (US\$300,000) from a company with a common director and officer and changed its name from 0968998 B.C. Ltd. to Plank Ventures Ltd.

## Available Funds

The estimated unaudited pro-forma working capital of Plank at July 31, 2018 was and as of the date of this circular is (\$268,254). Plank will need to raise funds in order to finance its activities.

## Share Capital of Plank

The following table represents the share capitalization of Plank as at the date of the Circular, both prior to and assuming completion of the Arrangement.

Share Capital	Authorized	Prior to the Completion of the Arrangement	After Completions of the Arrangement
Commons Shares	Unlimited	15,265,212 <sup>(1)</sup>	22,414,212 <sup>(2)</sup>

Notes:

(1) 15,265,212 Shares were acquired by Mobio by allotment. After the completion of the Arrangement those shares will be cancelled.

(2) This number is based on the number of Mobio's shares as of the date of this Circular. If Mobio issues additional shares before the Share Distribution Record Date, this number will increase and will be equal to the number of shares issued as of the Share Distribution Record Date.

Plank is authorized to issue an unlimited number of common shares without par value. There are no special rights or restrictions attached to Plank Shares. As a result of the Arrangement, a number of Plank Shares equal to the number of Mobio Shares as of the Share Distribution Record Date will be issued to the shareholders of Mobio.

## Fully Diluted Share Capital of Plank

The pro-forma fully diluted share capital of Plank, assuming completion of the Arrangement is set out below:

Designation of Plank Shares	Number of Plank Shares	Percentage of Total
Plank Shares issued and outstanding as of date of this circular <sup>(1)</sup>	15,265,212	100%
Plank Shares issued in exchange for Assets, which shares will be distributed to the Mobio Shareholders <sup>(2)</sup>	22,414,212 <sup>(2)</sup>	100%
<b>Total</b>	<b>22,414,212</b>	<b>100%</b>

(1) 15,265,212 common shares of Plank will be redeemed and cancelled concurrent with the completion of the Arrangement.

(2) This number is based on the number of Mobio's shares as of the date of this Circular. If Mobio issues additional shares before the Share Distribution Record Date, this number will increase and will be equal to the number of shares issued as of the Share Distribution Record Date.

## Prior Sales of Securities of Plank

Plank allotted 10,000,001 common shares to various shareholders on May 1, 2013; on September 11, 2013 Plank transferred 9,999,999 to a private company and 1 common share to an individual shareholder; on April 2, 2015 5,265,212 shares were acquired by allotment by Mobio at a price of \$0.10 per common share.

Principal Shareholders of Plank to the knowledge of the directors and executive officers of the Company, no person or company will hold, directly or indirectly, or will have control or direction over, a combination of direct or indirect beneficial ownership of and control or direction over, voting securities that will constitute more than 10% of the issued Plank Shares after the Arrangement.

## Directors and Officers of Plank

Michael Edwards and Laurie Baggio are the current directors of the Plank. It is expected that all current directors of Mobio will become the directors of Plank after the Plan of Arrangement. They will hold the same number of shares in the Plank as they do in Mobio on the Share Distribution Record Date. Please see "Election of Directors" for information about the directors of Plank.

It is planned that after the Plan of Arrangement is approved, the audit committee of Plank will be the same as the audit committee of Mobio.

Ms. Sheri Rempel, the CFO of Mobio, is the proposed CFO and secretary of Plank. The following table sets out the name of the proposed CFO of Plank, her experience, the municipality of residence, offices currently held, her principal occupations within the five preceding years and the number and percentage of Plank Shares to be beneficially owned, directly or indirectly, or over which control or direction will be exercised, upon completion of the Arrangement.

<i>Name, Municipality of Residence and Position</i>	<i>Principal occupation for last five years</i>	<i>Date Appointed</i>	<i>Number and Percentage of Common Shares beneficially owned or over which control or direction is exercised <sup>(1)</sup></i>
<b>SHERI REMPEL</b> Proposed CFO and Secretary	President of CTB Consulting Inc since 2006; owner of ARO Consulting Inc. since 2018.	February 1, 2017	Nil

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at November 7, 2018, based upon information furnished to the Corporation by individual Directors. Unless otherwise indicated, such Shares are held directly.

## **Corporate Cease Trade Orders**

No director, officer, promoter or other member of management of Plank is, or within the ten years prior to the date of this Circular has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days.

## **Penalties or Sanctions**

No director, officer, promoter or other member of management of Plank has, during the ten years prior to the date of this Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

## **Personal Bankruptcies**

No director, officer, promoter or other member of management of Plank has, during the ten years prior to the date of this Circular, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

## **Conflicts of Interest**

The directors of Plank are required by law to act honestly and in good faith with a view to the best interest of Plank and to disclose any interests which they may have in any project or opportunity of Plank. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

In determining whether or not Plank will participate in any project or opportunity, that director will primarily consider the degree of risk to which Plank may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among Plank and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

## **Executive Compensation of Plank**

The proposed executive officers of Plank (the "Executive Officers") after the Plan Arrangement becomes effective are:

Laurie Baggio – Chief Executive Officer

Sheri Rempel – Chief Financial Officer and Secretary

Plank does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of Plank.

From the date of incorporation until the date of this Circular the directors and officers of Plank received no compensation from Plank.

## **Indebtedness of Directors and Executive Officers of Plank**

No individual who is, or at any time from the date of Plank's incorporation to the date hereof was a director or executive officer of Plank, or an associate or affiliate of such an individual, is or has been indebted to Plank.

## **Plank's Auditor**

Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants of Vancouver, British Columbia, is the proposed auditor of Plank.

## **Plank's Material Contracts**

The Arrangement Agreement is the only material contract of Plank as of the date of this Circular.

## **Promoters**

The Company is reorganizing the business of Plank and as such is the promoter of Plank.

## **INCOME TAX CONSIDERATIONS**

Mobio Shareholders are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances regarding taxes resulting from the Plan of Arrangement.

Non-Canadian income tax considerations of the Arrangement or non-Canadian Mobio Shareholders who are subject to income tax of Canada should consult their tax advisers with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions.

## **RIGHTS OF DISSENT**

Pursuant to the terms of the Interim Order and the Plan of Arrangement, the Company has granted the Mobio Shareholders who object to the Arrangement Resolution the right to dissent (the "Dissent Right") in respect of the Arrangement. A Dissenting Shareholder will be entitled to be paid in cash the fair value of the Dissenting Shareholder's Mobio Shares so long as the dissent procedures are strictly adhered to. The Dissent Right is granted in Article 5 of the Plan of Arrangement.

A registered Dissenting Shareholder who intends to exercise the Dissent Right is referred to the full text of Sections 237 to 247 of the Act which is attached as Schedule 5 to this Circular.

A Mobio Shareholder who wishes to exercise his or her Dissent Right must give written notice of his or her dissent (a "Notice of Dissent") to the Company's counsel's office at 1080 – 789 West Pender St, Vancouver, BC V6C 1H2, marked to the attention of the President, by delivering the Notice of Dissent to the Company at least two days before the Meeting.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution. However, the procedures for exercising Dissent Rights given in Schedule 5 must be strictly followed as a vote against the Arrangement Resolution or the execution or exercise of a proxy voting against the Arrangement Resolution does not constitute a Notice of Dissent.

Mobio Shareholders should be aware that they will not be entitled to exercise a Dissent Right with respect to any Mobio Shares if they vote (or instruct or are deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution. A Dissenting Shareholder may, however, vote as a proxy for a Mobio Shareholder whose proxy requires an affirmative vote on the Arrangement Resolution, without affecting his or her right to exercise the Dissent Right.

In the event that a Mobio Shareholder fails to perfect or effectively withdraws its claim under the Dissent Right or forfeits its right to make a claim under the Dissent Right, each Mobio Share held by that Mobio Shareholder will thereupon be deemed to have been exchanged in accordance with the terms of the Arrangement as of the Effective Date.

Mobio Shareholders who wish to exercise Dissent Rights should review the dissent procedures described in SCHEDULE 5 and seek legal advice, as failure to adhere strictly to the Dissent Right requirements will result in the loss or unavailability of any right to dissent.

# RISK FACTORS

In evaluating the Arrangement, Mobio Shareholders should carefully consider, in addition to the other information contained in this Circular, the following risk factors associated with Plank. These risk factors are not a definitive list of all risk factors associated with Mobio and the business to be carried out by Plank. Mobio Shareholders should carefully consider these risk factors, together with other information included in this Circular, and perform their own due diligence before deciding whether to approve the Arrangement.

## Summary of Risk Factors

An investment in Mobio or Plank is highly speculative due to limited or no operating history and certain other factors.

Mobio Shareholders should carefully consider all of the information disclosed in this Circular and other public disclosure documents of Mobio prior to voting on the matters being put before them at the Mobio Meeting. Mobio Shareholders should carefully consider that Mobio may not realize the anticipated benefits of the Arrangement.

**Investments in small and new businesses involve a high degree of risk and investors should not invest any funds in Mobio or Plank unless they can afford to lose their entire investment. Investors should consult with their professional advisers to assess an investment in Mobio or Plank shares.**

There are risk factors associated with the Arrangement including: (i) market reaction to the Arrangement such that the future trading prices of securities of Plank, if listed, cannot be predicted; (ii) the transactions may give rise to adverse tax consequences for Mobio Shareholders; each shareholder is urged to consult his or her own tax advisor; (iii) it is uncertain whether the Arrangement will have a positive impact on the entities involved in the transactions; and (iv) there is no assurance that required regulatory approvals will be received or that the Plank shares will ever be listed on any stock exchange.

**Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors of the Company, but not all of the risks associated with an investment in Shares of the Company or Plank may be described below. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial conditions, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's Shares could decline and investors may lose all or part of their investment.**

## Failure to Meet Continued Listing Requirements

There can be no guarantee that the continued listing requirements will be met after the completion of the Plan of Arrangement. If Mobio cannot demonstrate that it will meet continued listing requirements then the TSXV will downgrade the Mobio Shares to NEX in conjunction with the transfer of Assets to Plank pursuant to the Plan of Arrangement.

## Risk of Loss of Entire Investment

Investing in start-up companies involves a high level of risk. Startup companies may fail completely or Mobio may be unable to resell the shares it owns in the start-up or collect upon the debt instrument that the Company has purchased from the start-up. In these situations, Mobio may lose the entire amount of the investment.

## Proposed Plan of Arrangement not Approved

The completion of the Plan of Arrangement is subject to the approval of the Mobio Shareholders, the Supreme Court of British Columbia and the TSXV. There can be no assurance that all of the necessary approvals will be obtained. If the Plan of Arrangement is not approved, the Company will continue to

search for other opportunities; however, it will have incurred significant costs associated with the Plan of Arrangement.

The Court may refuse to approve the Plan of Arrangement if the Company fails to meet the statutory or common law tests required to approve the Plan of Arrangement.

#### **Return on Investment is Not Guaranteed**

The amount of return on investment, if any, is highly variable and not guaranteed. Some start-ups may be successful and generate significant returns, but many will not be successful and will only generate small returns, if any at all. Investment returns that the Company may receive will be variable in amount, frequency, and timing.

#### **Delay in Return on Investment**

Any returns generated by start-up companies may take several years to materialize. Most start-ups take five to seven years to generate any investment return, if at all.

#### **Liquidity Risk**

It may be difficult to resell the investment in a start-up. Startup investments are privately held companies and are not traded on a public stock exchange. Also, there is currently no readily available secondary market for private buyers to purchase securities of start-ups. Furthermore, there may be restrictions on the resale of the shares of the start-up and the ability to transfer those shares.

#### **Dilution Risk of the Investment**

Startup companies may need to raise additional capital in the future through the issue of additional shares. This will dilute the percentage ownership that Mobio has in the company.

#### **Risk of Inaccurate Valuation of the Investment**

Unlike publicly traded companies that are valued through market-driven stock prices, the valuation of private companies, especially start-ups, is difficult to assess. The issuer will set the share price of the investment and there is a risk of overpaying for that investment.

#### **Risk of Failure of the Startup**

Investments in start-ups are speculative and these companies often fail. Unlike an investment in a mature business where there is a track record of revenue and income, the success of a start-up often relies on the development of a new product or service that may or may not find a market.

#### **Risk of Profitability of Startup Companies**

A start-up company is still in an early phase and may be just beginning to implement its business plan. There can be no assurance that it will ever operate profitably. The likelihood of achieving profitability should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development. The start-up company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

#### **Funding risk**

A start-up company may require funds in excess of its existing cash resources to fund operating expenses, develop new products, expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the start-up company needs additional funding, it is possible that the company will be unable to obtain additional funding when it needs it, or the terms of any available funding may be unfavorable. If the company is unable to obtain additional funding, it may not be able to repay debts when they are due, or the new funding may excessively dilute existing investors. If the company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.

**There can be no guarantee that Plank Shares will ever be listed on a stock exchange and that the shareholders will be ever able to sell these shares.**

#### **Disclosure risks**

The start-up company is at an early stage and may only be able to provide limited information about its business plan and operations because it does not have fully developed operations or a long trading

history. The company is also only obligated to provide limited information regarding its business and financial affairs to investors.

### **Personnel risks**

An investment in a start-up is also an investment in the management of the company. Being able to execute on the business plan is often an important factor in whether the business is viable and successful. The start-up company's management may not have the necessary expertise and experience to deliver on the company's business plan.

### **Growth risk**

For a start-up to succeed, it will need to expand significantly. There can be no assurance that it will achieve this expansion. Expansion may place a significant strain on the company's management, operational and financial resources. To manage growth, the company will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the company's current and planned personnel, systems, procedures and controls will be adequate to support its future operations. The company's failure to manage growth effectively could have a material adverse effect on its business, results of operations, and financial condition.

### **Competition risk**

The start-up may face competition from other companies, some of which might have received more funding than the start-up has. One or more of the company's competitors could offer services similar to those offered by the company at significantly lower prices, which would cause downward pressure on the prices the company would be able to charge for its services. If the company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the company's results of operations and financial condition.

### **Market demand risk**

While a start-up company believes that there will be customer demand for its products, there is no assurance that there will be broad market acceptance of the company's offerings. There also may not be broad market acceptance of the company's offerings if its competitors offer products which are preferred by prospective customers. In such event, there may be a material adverse effect on the company's results of operations and financial condition, and the company may not be able to achieve its goals.

### **Control risks**

Because the company's founders, directors and executive officers may be among the company's largest stockholders, they can exert significant control over the company's business and affairs and have actual or potential interests that may depart from Mobio's. The company's founders, directors and executive officers may own or control a significant percentage of the start-up company. In addition to their board seats, such persons will have significant influence over corporate actions requiring stockholder approval, irrespective of how the company's other shareholders, including Mobio, may vote.

## **PLANK STOCK OPTION PLAN**

The management of Plank proposes that Plank adopts a stock option plan ("Plank Option Plan" or "Plan") which is almost identical to the stock option plan of Mobio. The following is the summary of the main terms of the Plan.

### *Eligible Persons*

Directors, officers, consultants, and employees of Plank or its subsidiaries, and employees of a person or company which provides management services to Plank or its subsidiaries shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "Participants"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

### *Incorporation of Policies of the Exchange*

If the Shares are listed on a stock exchange, all options granted pursuant to the Plan shall be subject to the rules and policies of the stock exchange or exchanges on which the Shares are listed and any other regulatory body having jurisdiction hereinafter (hereinafter in the summary of the Plan collectively referred to as, the “Exchange”). The policies of the Exchange shall be incorporated by reference into the Plan.

#### *Maximum Number and Limitations on Granting Options*

The aggregate number of Shares that may be issued pursuant to the exercise of Options awarded under the Plan and all other security based compensation arrangements of Plank shall not exceed twenty (20%) percent of the issued and outstanding Shares immediately following the issuance of Shares pursuant to the Plan of Arrangement, subject to the following additional limitations:

(i) the aggregate number of options granted to any one person under the Plan within a twelve (12) month period, together with all other security based compensation arrangements of Plank, must not exceed five (5%) percent of the then outstanding number of Shares, in the aggregate (on a non-diluted basis);

(ii) in the aggregate, no more than ten (10%) percent of the issued and outstanding Plank Shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(1) of the Securities Act (British Columbia) and includes an associate, as defined in subsection 1(1) of the Securities Act (British Columbia) (“Insider(s)”) under the Plan, together with all other security based compensation arrangements of Plank;

(iii) the number of securities of Plank issued to Insiders, within any one year period, under all security based compensation arrangements, cannot exceed ten (10%) percent of the issued and outstanding Shares, in the aggregate;

(iv) Options shall not be granted if the exercise thereof would result in the issuance of more than two (2%) percent of the issued Shares, in the aggregate, in any twelve (12) month period to any one consultant of Plank (or any of its subsidiaries); and

(v) Options shall not be granted if the exercise thereof would result in the issuance of more than two (2%) percent of the issued Common Shares in any twelve (12) month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve (12) months with no more than ¼ of the options vesting in any three (3) month period.

The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

#### *Exercise Price*

The exercise price of the Mobio Shares subject to each option shall be determined by the Mobio’s board of directors, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.

#### *Maximum Term*

In no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, in no circumstances shall the maximum term exceed ten (10) years.

#### *Expiry and Termination*

If a Participant shall cease to be a director, officer, consultant, employee of Plank, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within thirty (30) days, subject to adjustment at the discretion of the Board, after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee. In the event the Participant was engaged in investor relations activities, exercise must occur within thirty (30) days after the cessation of the Participant’s services to Plank.

In the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:



(a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and

(b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

Management of Plank believes that incentive stock options serve an important function in furnishing directors, officers, employees and consultants (collectively the "Eligible Parties") of Plank an opportunity to invest in Plank in a simple and effective manner and better aligning the interests of the Eligible Parties with those of Plank and its shareholders through ownership of shares in Plank.

Plank Option Plan is attached to this Information Circular as Schedule 9. The shareholders are encouraged to read the full text of the Plank Option Plan.

Below is the text of the proposed resolution approving the Plank Option Plan.

*"BE IT RESOLVED THAT, subject to regulatory approval:*

- 1. Plank's incentive stock option plan (the "Plan") be and it is hereby approved;*
- 2. the board of directors be authorized to grant options under and subject to the terms and conditions of the Plan to a maximum number of options that may be exercised under the Plan of 20% of the issued common shares of Plank at the date Plank issues Plank Shares pursuant to the Plan of Arrangement; and*
- 3. the directors and officers of Plank be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions."*

## **ADDITIONAL INFORMATION**

Additional information concerning the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.mobio.net](http://www.mobio.net).

Financial information relating to the Company is provided in the Company's audited financial statements and the management discussion and analysis ("MD&A") for the year ended July 31, 2018. Shareholders may download the financial statements and MD&A from SEDAR ([www.sedar.com](http://www.sedar.com)) or contact the Company directly to request copies of the financial statements and MD&A by:

- (i) mail to Suite 1080 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2;
- (ii) fax to 604-428-7052; or
- (iii) e-mail ([srempel@aroconsulting.ca](mailto:srempel@aroconsulting.ca)).

Additional financial information concerning the Company may be obtained by any shareholder free of charge through the Company's website at [www.mobio.net](http://www.mobio.net) or by contacting the Company at 604-428-7050.

## **TRANSFER AGENT AND REGISTRAR**

Mobio's registrar and transfer agent is Odyssey Trust Company, 323 – 409 Granville St, Vancouver, BC V6C 1T2.

Plank intends to appoint Odyssey Trust Company as its registrar and transfer agent after the Arrangement.

## **AUDITORS**

The audited consolidated financial statements included in this Circular have been so included in reliance upon the report of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants. Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants is independent within the meaning of the applicable rules of professional conduct in Canada.

## **LEGAL PROCEEDINGS**

The Company is unaware of pending material legal proceedings to which the Company or Plank is or is likely to be a party.

## **OTHER MATTERS**

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of this Circular.

## **APPROVAL OF INFORMATION CIRCULAR**

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the Board.

Dated at Vancouver, British Columbia this 20th day of November, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

*/s/ "Laurie Baggio"*

Laurie Baggio

CEO and Director

# LIST OF SCHEDULES

SCHEDULE 1 INTERIM ORDER

SCHEDULE 2 NOTICE OF HEARING

SCHEDULE 3 FORM OF ARRANGEMENT RESOLUTIONS

SCHEDULE 4 THE ARRANGEMENT AGREEMENT

SCHEDULE 5 DISSENT PROCEDURES

SCHEDULE 6 MOBIO PRO-FORMA COMBINED FINANCIAL STATEMENTS GIVING EFFECT TO THE ARRANGEMENT AS OF JULY 31, 2018

SCHEDULE 7 AUDITED FINANCIAL STATEMENTS AND MD&A OF MOBIO FOR THE YEARS ENDED JULY 31, 2018 & 2017

SCHEDULE 8 AUDITED FINANCIAL STATEMENTS OF PLANK FOR THE YEARS ENDED JULY 31, 2018 & 2017

SCHEDULE 9 PLANK STOCK OPTION PLAN

SCHEDULE 10 AUDIT COMMITTEE CHARTER



No. S1812332

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: Mobio Technologies Inc. (the "Petitioner")  
Plank Ventures Ltd. and the Shareholders of Mobio Technologies Inc.

ORDER MADE AFTER APPLICATION

INTERIM ORDER

BEFORE MASTER HARPER ) TUESDAY, THE 20<sup>th</sup> DAY  
)  
) OF NOVEMBER, 2018  
)

ON THE APPLICATION WITHOUT NOTICE of the Petitioner for an interim order for direction of the Court in connection with a proposed arrangement pursuant to Sections 288 and 291 of the Business Corporations Act (British Columbia), S.B.C., 2002 c. 57 as amended (the "BCBCA"), coming on for hearing at Vancouver, British Columbia on the 20<sup>th</sup> day of November, 2018.

AND ON HEARING Linas Antanavicius, counsel for the Petitioner.

AND UPON READING the Petition herein dated November 15, 2018 and the Affidavit #1 of Laurie Baggio sworn on November 15, 2018, this court orders that:

THE MEETING

1. Mobio Technologies Inc. ("Petitioner" or "Mobio") is authorized and directed to call, hold and conduct an annual general and special meeting (the "Meeting") of the common shareholders of Mobio (the "Mobio Shareholders") to be held at 10 a.m. on December 31, 2018 at 1150 -789 West Pender St., Vancouver, BC V6C 1H2 or other location in British Columbia to be determined by Mobio.
2. At the Meeting, Mobio Shareholders will, *inter alia*, consider, and if deemed advisable, approve, with or without variation, a special resolution (the "Arrangement Resolution") adopting, with or without amendment, the arrangement (the "Arrangement") involving Mobio, Mobio Shareholders and Plank Ventures Ltd. (formerly 0968998 B.C. LTD) as set forth more particularly in the plan of arrangement (the "Plan of Arrangement") attached as Exhibit "A" to the Affidavit #1 of Laurie Baggio sworn on November 15, 2018 (the "Affidavit") and filed herein.
3. The Meeting will be called, held and conducted in accordance with the Notice of Annual General and Special Meeting to be delivered to the Mobio Shareholders in substantially the form attached to and forming part of the Management Information Circular (the "Circular") attached as Exhibit "B" to the Affidavit, and in accordance with applicable provisions of the BCBCA, the

Articles of Mobio, the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418, as amended (the "Securities Act"), and related rules and policies, the terms of this Order (the "Interim Order") and any further Order of this Court, the rulings and directions of the Chairman of the Meeting, and, to the extent of any inconsistency or discrepancy between the Interim Order and the terms of any of the foregoing, the Interim Order will govern.

#### RECORD DATE FOR NOTICE

4. The record date for determination of the Mobio Shareholders entitled to receive the notice of Meeting, the Circular and a form of proxy (the "Meeting Materials") will be the close of business (Vancouver time) on November 7, 2018 (the "Record Date") or such other date as the directors of Mobio may determine in accordance with the Articles of Mobio, the BCBCA and the Securities Act, and as disclosed in the Meeting Materials.

#### NOTICE OF MEETING

5. The Meeting Materials, with such amendments or additional documents as counsel for Mobio may advise are necessary or desirable, and that are not inconsistent with the terms of this Interim Order, and a copy of this Interim Order, will be sent at least twenty-one (21) days prior to the date of the Meeting, to: (a) Mobio Shareholders who are registered shareholders on the Record Date and to brokerage intermediaries on behalf of beneficial Mobio Shareholders where applicable, by prepaid ordinary mail addressed to each registered Mobio Shareholder at his, her or its address as maintained by the registrar and transfer agent of Mobio or delivery of same by courier service or by facsimile transmission or e-mail transmission to any such Mobio Shareholder who identifies himself, herself or itself to the satisfaction of Mobio and who requests such courier, facsimile or e-mail transmission.

6. The accidental failure or omission by Mobio to give notice of the Meeting or the Petition to any person in accordance with this Interim Order, as a result of mistake or of events beyond the reasonable control of Mobio (including, without limitation, any inability to utilize postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such accidental failure or omission is brought to the attention of Mobio, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances. Such rectified notice shall be deemed to be good and sufficient notice of the Meeting and/or this Petition, as the case may be.

7. The distribution of the Meeting Materials pursuant to paragraph 5 of this Interim Order shall constitute good and sufficient notice of the Meeting to registered and non-registered Mobio Shareholders.

8. Mobio is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials ("Additional Information") in accordance with the terms of the Arrangement, as Mobio may determine to be necessary or desirable and notice of such Additional Information may be communicated to Mobio Shareholders by news release, newspaper advertisement or one of the methods by which the Meeting Materials will be distributed.

#### DEEMED RECEIPT OF MEETING MATERIALS

9. The Meeting Materials will be deemed, for the purposes of this Interim Order, to have been received by the Mobio Shareholders:

a. In the case of mailing to registered Mobio Shareholders or, in the case of delivery by courier of materials to brokerage intermediaries, five days after delivery thereof to the post office or acceptance by the courier service, respectively; and

b. In the case of delivery by courier, facsimile transmission or e-mail transmission directly to a registered Mobio Shareholder, the business day after such delivery or transmission of same.

10. Subject to other provisions of this Interim Order, no other form of service or delivery of the Meeting Materials or any portion thereof need be made, or notice given, or other material served in respect of the Meeting to any persons described in paragraph 5 of this Interim Order or to any other persons.

#### PERMITTED ATTENDEES

11. The persons entitled to attend the Meeting will be Mobio Shareholders of record as of the close of business (Vancouver time) on the Record Date, their respective proxies, the officers, directors and advisors of Mobio and such other persons who receive the consent of the Chairman of the Meeting to attend.

#### VOTING AT THE MEETING

12. The only persons permitted to vote at the Meeting will be the registered Mobio Shareholders as of the close of business (Vancouver time) on the Record Date or their valid proxy holders as described in the Circular and as determined by the Chairman of the Meeting upon consultation with the Scrutineer (as hereinafter defined) and legal counsel to Mobio.

13. The requisite approval of the Arrangement Resolution will be 2/3 of the votes cast on the resolution by the Mobio Shareholders present in person or by proxy at the Meeting. Each common share of Mobio voted will carry one vote.

14. A quorum for the Meeting will be the quorum required by the Articles of Mobio.

15. In all other respects, the terms, restrictions and conditions of the constating documents of Mobio will apply in respect of the Meeting.

16. For the purposes of the Meeting, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

#### ADJOURNMENT OF MEETING

17. Notwithstanding any provision of the BCBCA or the Articles of Mobio, the board of directors of Mobio shall be entitled if it deems advisable, to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any votes of the Mobio Shareholders respecting the adjournment or postponement and without the need for approval of the Court.

18. The record date for Mobio Shareholders entitled to notice of and to vote at the Meeting will not change in respect of adjournments or postponements of the Meeting.

## AMENDMENTS

19. Mobio is authorized to make such amendments, revisions or supplements to the Plan of Arrangement as it may determine, provided it has obtained any required consents, and the Plan of Arrangement as so amended, revised or supplemented will be the Plan of Arrangement which is submitted to the Meeting and which will thereby become the subject of the Arrangement Resolution.

## SCRUTINEER

20. A representative of Mobio's registrar and transfer agent (or any agent thereof) (the "Scrutineer") will be authorized to act as scrutineer for the Meeting.

## PROXY SOLICITATION

21. Mobio is authorized to permit the Mobio Shareholders to vote by proxy using the form of proxy, in substantially the same form as attached as Exhibit "B" to the Affidavit. Mobio is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communications as it may determine.

22. Mobio may in its discretion waive the time limits for deposit of proxies by Mobio Shareholders if Mobio deems it reasonable to do so.

## DISSENT RIGHTS

23. The Mobio Shareholders will, as set out in the Plan of Arrangement, be permitted to dissent from the Arrangement Resolution in accordance with the dissent procedures set forth in Division 2 of Part 8 of the BCBCA, strictly applied and as may be modified by the Plan of Arrangement.

## SERVICE OF COURT MATERIALS

24. Mobio will include in the Meeting Materials a copy of this Interim Order, the Notice of Hearing of Petition and will make available to any Mobio Shareholder requesting same, a copy of each of the Petition herein and the accompanying Affidavit (collectively, the "Court Materials"). The service of the Petition and Affidavit in support of the within proceedings to any Mobio Shareholder requesting same is hereby dispensed with.

25. Delivery of the Court Materials given in accordance with this Interim Order will constitute good, sufficient and timely service of such Court Materials upon all persons who are entitled to receive the Court Materials pursuant to this Interim Order and no other form of service need be made and no other material need to be served on such persons in respect of these proceedings.

## FINAL APPROVAL HEARING

26. Upon the approval by the Mobio Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Mobio may apply for an order of this Honourable Court approving the Plan of Arrangement (the "Final Order") and that the Petition be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. on January 8, 2019 or such later date as counsel for Mobio may be heard.

27. The Court shall consider at the hearing for the Final Order, the fairness of the terms and conditions of the Arrangement, as provided for in the Arrangement, and the rights and interest of every person affected thereby.

28. Any Mobio Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order provided that such Mobio Shareholder shall file a Response to Petition, in the form provided by the Rules of Court of the Supreme Court of British Columbia, with this Court and deliver a copy of the filed Response to Petition together with a copy of all materials on which such Mobio Shareholder intends to rely at the submissions to the Petitioner at Mobio Technologies Inc., 1150 -789 West Pender St. BC, V6C 1H2, Attention: Linas Antanavicius at or before 10:00 a.m. on January 2, 2019 subject to the direction of this Honourable Court.

29. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to the Petition, in accordance with the preceding paragraph of this Interim Order, need to be served with notice of the adjourned date.

30. The Petitioner shall not be required to comply with Rule 8-1 and Rule 16-1 of the Rules of Court in relation to the hearing of the Final Order approving the Plan of Arrangement and such rules will not apply to any application to vary this Interim Order.

**VARIANCE**

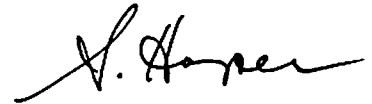
31. Mobio is at liberty to apply to this Honourable Court to vary this Interim Order and for advice and direction with respect to the Plan of Arrangement or any of the matters related to this Interim Order and such further and other relief as this Honourable Court may consider just.

**THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:**



\_\_\_\_\_  
Linas Antanavicius  
Counsel for the Petitioner

BY THE COURT



\_\_\_\_\_  
REGISTRAR





**SCHEDULE "2"**

No. S1812332

Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**RE: Mobio Technologies Inc. (the "Petitioner")  
Plank Ventures Ltd. and the Shareholders of Mobio Technologies Inc.**

**NOTICE OF HEARING**

To: Plank Ventures Ltd.  
Shareholders of Mobio Technologies Inc.

TAKE NOTICE that a Petition has been filed by Mobio Technologies Inc. (the "**Petitioner**") in the Supreme Court of British Columbia for approval of the plan of arrangement (the "**Arrangement**"), pursuant to the *Business Corporations Act*, S.B.C 2002, Chapter 57, as amended.

AND FURTHER TAKE NOTICE that by an Interim Order of the Supreme Court of British Columbia, pronounced on November 20, 2018, the Court has given directions as to the calling of annual general and special meeting of the holders of commons shares in the capital of the Petitioner (the "**Shareholders**") for the purpose, *inter alia*, of considering and voting upon the Arrangement and approving the Arrangement.

AND TAKE FURTHER NOTICE that the petition of Mobio Technologies Inc. dated November 15, 2018 for a Final Order approving the Arrangement and for a determination that the terms and conditions of the Arrangement are fair to the Shareholders shall be heard before the presiding judge in Chambers at the courthouse at 800 Smithe Street, Vancouver, British Columbia on January 8, 2019 at 9:45 a.m. or soon thereafter as counsel may be heard.

A copy of the said petition and other documents in the proceedings will be furnished to any shareholder upon request in writing to the Petitioner's counsel at 1150 – 789 West Pender Street, Vancouver, BC V6C 1H2.

**1. Date of hearing**

- The parties have agreed as to the date of the hearing of the petition.
- The parties have been unable to agree as to the date of the hearing but notice of the hearing will be given to the petition respondents in accordance with Rule 16-1 (8) (b) of the Supreme Court Civil Rules.
- The petition is unopposed, by consent or without notice.

*The date of the hearing has been determined pursuant to the Interim Order.*

**2. Duration of hearing**

- It has been agreed by the parties that the hearing will take .....[time estimate]..... .
- The parties have been unable to agree as to how long the hearing will take and
  - (a) the time estimate of the petitioner(s) is 15 minutes, and
  - (b) the time estimate of the petition respondent(s) is ..... minutes.
- the petition respondent(s) has(ve) not given a time estimate.

*It is not known whether the matter will be contested and it is estimated by the Petitioner that the hearing will take 15 minutes.*

**3. Jurisdiction**

**SCHEDULE "3"**

- This matter is within the jurisdiction of a master.  
 This matter is not within the jurisdiction of a master.

Date: November 20, 2018.



*Linas Antanavicius*

Signature of  
 petitioner  lawyer for petitioner(s)

## SCHEDULE "3"

### Form of Arrangement Resolutions

Capitalized words used in this Schedule 3 and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

1. BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- a) the Arrangement Agreement dated for reference August 28, 2018, between Mobio Technologies Inc. (the "Company" or "Mobio") and Plank Ventures Ltd. (formerly 0968998 B.C. LTD.) ("Plank") is hereby approved, ratified and affirmed;
- b) the Arrangement under Division 5 of Part 9 of the Act, substantially as set forth in the Plan of Arrangement attached as Schedule A to the Arrangement Agreement, is hereby approved and authorized;
- c) notwithstanding that this special resolution has been passed by the shareholders of the Company or that the Arrangement has received the approval of the Court, the Board may amend the Arrangement Agreement and/or decide not to proceed with the Arrangement or revoke this special resolution at any time prior to the filing of a certified copy of the court order approving the Arrangement with the Registrar without further approval of the shareholders of the Company; and
- d) any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this special resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

## SCHEDULE "4"

### ARRANGEMENT AGREEMENT

**THIS ARRANGEMENT AGREEMENT** (the "**Agreement**") is dated for reference August 28, 2018.

**BETWEEN:**

**MOBIO TECHNOLOGIES INC.**, a company with a head office at 1080 - 789 West Pender Street, Vancouver, BC V6C

(**"MOBIO"**)

**AND:**

**0968998 B.C. LTD.**, a company with a head office at 1080 - 789 West Pender Street, Vancouver, BC V6C 1H2.

(**"Subco"**)

(collectively, "**the Parties**").

**RECITALS:**

- A. The Parties have entered into the Agreement wherein it is contemplated that MOBIO will transfer its Assets (as such term is defined in this Agreement) to its wholly-owned subsidiary, Subco.
- B. The Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Business Corporations Act* (British Columbia); and
- C. The Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recital and for other matters relating to such arrangement.

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby covenant and agree as follows:

#### ARTICLE 1 INTERPRETATION

##### 1.1 Definitions

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

- (a) "**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (b) "**Applicable Laws**" means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;
- (c) "**Arrangement**" means the arrangement pursuant to Section 288 of the BCBCA set forth in the Plan of Arrangement;
- (d) "**Arrangement Provisions**" means Part 9, Division 5 of the BCBCA;
- (e) "**Arrangement Resolution**" means the special resolution in respect to the Arrangement and other related matters to be considered at the MOBIO Meeting;
- (f) "**Assets**" means the investments of MOBIO in various businesses as described in Schedule B to the Arrangement Agreement;

- (g) “**BCBCA**” means the Business Corporations Act (British Columbia), S.B.C. 2002, c.57, as amended, including the regulations promulgated thereunder;
- (h) “**Business Day**” means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (i) “**Company**” means MOBIO TECHNOLOGIES INC.;
- (j) “**Court**” means the Supreme Court of British Columbia;
- (k) “**Dissenting Shareholder**” means a MOBIO Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its MOBIO Shares in accordance with the Interim Order and the Plan of Arrangement;
- (l) “**Dissenting Shares**” means the MOBIO Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (m) “**Effective Date**” means the date upon which the Arrangement becomes effective in accordance with the Arrangement Agreement and the Final Order;
- (n) “**Final Order**” means the final order of the Court approving the Arrangement;
- (o) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee;
- (p) “**Information Circular**” means the management information circular of MOBIO to be sent by MOBIO to the MOBIO Shareholders in connection with the MOBIO Meeting;
- (q) “**Interim Order**” means an interim order of the Court concerning the Arrangement in respect of MOBIO, containing declarations and directions with respect to the Arrangement and the holding of the MOBIO Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (r) “**MOBIO Meeting**” means the special meeting of the MOBIO Shareholders to be held on a date to be determined by the board of directors of MOBIO, and any adjournment(s) or postponement(s) thereof;
- (s) “**MOBIO Shareholder**” means a holder of MOBIO Shares;
- (t) “**New MOBIO Shares**” means the new class of common shares without par value which the Company will create, pursuant to Section 3.1(b)(ii) of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the MOBIO Shares;
- (u) “**Notice of Meeting**” means the notice of special meeting of the MOBIO Shareholders in respect of the MOBIO Meeting;
- (v) “**Odyssey**” means Odyssey Trust Company, the registrar and transfer agent of MOBIO;
- (w) “**Parties**” means MOBIO and Subco and “**Party**” means any one of them;
- (x) “**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (y) “**Plan of Arrangement**” means the plan of substantially in the form set out in Schedule A to this Agreement, as amended or supplemented from time to time in accordance with Article 6 thereof and Article 6 hereof;
- (z) “**Registrar**” means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
- (aa) “**Record Date**” means the record date with respect to voting at the MOBIO Meeting;
- (bb) “**Share Distribution Record Date**” means the date approved by the board of directors of MOBIO, which date establishes the MOBIO Shareholders who will be entitled to receive Subco Shares, pursuant to the Plan of Arrangement;
- (cc) “**Subco**” means 0968998 B.C. LTD., a private company and a subsidiary of MOBIO;

- (dd) “**Subco Shareholder**” means a holder of Subco Shares;
- (ee) “**Subco Shares**” means the common shares without par value in the authorized share structure of Subco; and
- (ff) “**Tax Act**” means the Income Tax Act (Canada), as may be amended, or replaced, from time to time.

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement (including Schedules A to B hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

## **1.3 Number, etc.**

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

## **1.4 Date for Any Action**

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

## **1.5 Entire Agreement**

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

## **1.6 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

## **1.7 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS, as applicable and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS.

## **1.8 References to Legislation**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## **1.9 Enforceability**

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors’ rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

## **1.10 Schedules**

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

Schedule A – Plan of Arrangement

**ARTICLE 2  
THE ARRANGEMENT**

**2.1 Plan of Arrangement**

The Parties will forthwith jointly file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the MOBIO Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution and upon receipt thereof, the Parties will forthwith carry out the terms of the Interim Order to the extent applicable to it. Provided all necessary approvals for the Arrangement Resolution are obtained from the MOBIO Shareholders, the Parties shall jointly submit the Arrangement to the Court and apply for the Final Order. Upon issuance of the Final Order and subject to the conditions precedent in Article 5, MOBIO shall forthwith proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to the Arrangement Provisions, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any act or formality.

**2.2 Interim Order**

Subject to the approval by the court, the Interim Order shall provide that:

- (a) the securities of MOBIO for which holders shall be entitled to vote on the Arrangement Resolution shall be the MOBIO Shares;
- (b) the MOBIO Shareholders shall be entitled to vote on the Arrangement Resolution, with each MOBIO Shareholder being entitled to one vote for each MOBIO Share held by such holder;
- (c) the requisite majority for the approval of the Arrangement Resolution shall be two-thirds of the votes cast by the MOBIO Shareholders present in person or by proxy at the MOBIO Meeting.

**2.3 Information Circular and Meetings**

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws, MOBIO shall:

- (a) prepare the Information Circular and cause such circular to be mailed to the MOBIO Shareholders and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed; and
- (b) convene the MOBIO Meeting.

**2.4 Effective Date**

The Arrangement shall become effective in accordance with the terms of the Plan of Arrangement on the Effective Date.

**ARTICLE 3  
COVENANTS**

**3.1 Covenants Regarding the Arrangement**

From the date hereof until the Effective Date, the Parties will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.

### **3.2 Covenants Regarding Execution of Documents**

- (a) The Parties will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

### **3.3 Giving Effect to the Arrangement**

The Arrangement shall be effected in the following manner:

- (a) The Parties shall proceed forthwith to apply for the Interim Order providing for, among other things, the calling and holding of the MOBIO Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement;
- (b) The Subco Shareholder shall approve the Arrangement by consent resolutions;
- (c) Upon obtaining the Interim Order, MOBIO shall call the MOBIO Meeting and mail the Information Circular and related Notice of Meeting and form of Proxy to the MOBIO Shareholders;
- (d) If the MOBIO Shareholders approve the Arrangement, MOBIO shall thereafter (subject to the exercise of any discretionary authority granted to MOBIO's Board by the MOBIO Shareholders) take the necessary actions to submit the Arrangement to the Court for approval and grant of the Final Order; and
- (e) Upon receipt of the Final Order, MOBIO shall, subject to compliance with any of the other conditions provided for in Article 5 hereof and to the rights of termination contained in Article 7 hereof, file the required material with the Registrar in accordance with the terms of the Plan of Arrangement.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

### **4.1 Representations and Warranties**

Each of the Parties hereby represents and warrants to the other that:

- (a) It is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) It has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) Neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constituting or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it, or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) No dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it.



## **ARTICLE 5 CONDITIONS PRECEDENT**

### **5.1 Mutual Conditions Precedent**

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been passed by the MOBIO Shareholders at the MOBIO Meeting in accordance with the Arrangement Provisions, the constating documents of MOBIO, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Arrangement and this Agreement, with or without amendment, shall have been approved by the Subco Shareholder to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of Subco;
- (d) the Final Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably;
- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to the Parties;
- (f) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and
- (g) this Agreement shall not have been terminated under Article 7.

Except for the conditions set forth in this §5.1 which, by their nature, may not be waived, any of the other conditions in this §5.1 may be waived, either in whole or in part, by any of the Parties, as the case may be, at its discretion.

### **5.2 Closing**

Unless this Agreement is terminated earlier pursuant to the provisions hereof, the Parties shall meet at the offices of MOBIO at 1080 - 789 West Pender Street, Vancouver, BC V6C 1H2, or such other location as agreed to by the Parties, at 11:00 a.m. (Vancouver time) on such date as they may mutually agree (the “**Closing Date**”), and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

### **5.3 Merger of Conditions**

The conditions set out in §5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

### **5.4 Merger of Representations and Warranties**

The representations and warranties in §4.1 shall be conclusively deemed to be correct as of the Effective Date and each shall accordingly merge in and not survive the effectiveness of the Arrangement.

## **ARTICLE 6 AMENDMENT**

### **6.1 Amendment**

This Agreement may at any time and from time to time before or after the holding of the MOBIO Meeting be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a MOBIO Shareholder without approval by the MOBIO Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

## **ARTICLE 7 TERMINATION**

### **7.1 Termination**

Subject to §7.2, this Agreement may at any time before or after the holding of the MOBIO Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the MOBIO Board without further action on the part of the MOBIO Shareholders, or by the board of directors of Subco without further action on the part of the respective Subco Shareholder and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the boards of directors of MOBIO and Subco, respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

### **7.2 Cessation of Right**

The right of any of the Parties or any other party to amend or terminate the Plan of Arrangement pursuant to §6.1 and §7.1 shall be extinguished upon the occurrence of the Effective Date.

## **ARTICLE 8 NOTICES**

### **8.1 Notices**

All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by electronic transmission, in each case to the attention of the senior officer at the following addresses or at such other address as shall be specified by a Party by like notice:

In the case of MOBIO TECHNOLOGIES INC.:

1080 - 789 West Pender Street, Vancouver, BC V6C 1H2  
Attention: Laurie Baggio, Director

In the case of 0968998 B.C. LTD.:

1080 - 789 West Pender Street, Vancouver, BC V6C 1H2  
Attention: Michael Edwards, Director

the address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. Any notice that is delivered to such address shall be deemed to be delivered on the date of delivery if delivered on a Business Day prior to 4:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 4:00 p.m. or on a non-Business Day. Any notice delivered by facsimile transmission shall be deemed to be delivered on the date of transmission if delivered on a Business Day prior to 4:00 p.m. (local time at the place of receipt) or on the next Business Day if delivered after 4:00 p.m. or on a non-Business Day.

## **ARTICLE 9 GENERAL**

### **9.1 Assignment and Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by any party hereto without the prior consent of the other Parties hereto.

### **9.2 Disclosure**

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Parties as to the wording of such disclosure prior to its being made.

### **9.3 Costs and Financings by Subco**

Except as contemplated in the Arrangement and herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby.

Subco may conduct debt or equity financings and acquire additional assets after the date of this Agreement.

### **9.4 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

### **9.5 Further Assurances**

Each Party hereto shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

### **9.6 Time of Essence**

Time shall be of the essence of this Agreement.

## **9.7 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia. Each of the Parties hereto hereby irrevocably and unconditionally consents to and submits to the jurisdiction of the courts of the Province of British Columbia in respect of all actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agrees not to commence any action, suit or proceeding relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against any Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

## **9.8 Waiver**

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

## **9.9 Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument. Execution of this Agreement electronically or manually, and the electronic delivery of this Agreement in counterparts shall constitute valid delivery of the same.

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

**MOBIO TECHNOLOGIES INC.**

Per: "*Laurie Baggio*"  
Authorized Signatory

**0968998 B.C. LTD.**

Per: "*Michael Edwards*"  
Authorized Signatory

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**SCHEDULE A  
TO THE ARRANGEMENT AGREEMENT**

**PLAN OF ARRANGEMENT  
UNDER DIVISION 5 OF PART 9 OF THE  
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)  
S.B.C. 2002, c. 57**

**ARTICLE 1.  
INTERPRETATION**

1.1 In this Plan of Arrangement, the following terms have the following meanings:

**“Agreement”** means the arrangement agreement (including the schedules thereto) dated August 28, 2018, between MOBIO and Subco as supplemented, modified or amended, and not to any particular article, section, schedule or other portion thereof;

- (a) **“Applicable Laws”** means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;
- (b) **“Arrangement”** means the arrangement pursuant to Section 288 of the BCBCA set forth in the Plan of Arrangement;
- (c) **“Arrangement Provisions”** means Part 9, Division 5 of the BCBCA;
- (d) **“Arrangement Resolution”** means the special resolution in respect to the Arrangement and other related matters to be considered at the MOBIO Meeting;
- (e) **“Assets”** means the assets of MOBIO to be transferred to Subco pursuant to the Arrangement, as more particularly described in Schedule B attached to the Agreement;
- (f) **“BCBCA”** means the Business Corporations Act (British Columbia), S.B.C. 2002, c.57, as amended, including the regulations promulgated thereunder;
- (g) **“Business Day”** means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (h) **“Company”** means MOBIO TECHNOLOGIES INC.;
- (i) **“Conversion Factor”** means one;
- (j) **“Court”** means the Supreme Court of British Columbia;
- (k) **“Dissenting Shareholder”** means a MOBIO Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its MOBIO Shares in accordance with the Interim Order and the Plan of Arrangement;
- (l) **“Dissenting Shares”** means the MOBIO Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (m) **“Effective Date”** means the date upon which the Arrangement becomes effective in accordance with the Arrangement Agreement and Final Order;
- (n) **“Final Order”** means the final order of the Court approving the Arrangement;
- (o) **“IFRS”** means International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee;
- (p) **“Information Circular”** means the management information circular of MOBIO to be sent by MOBIO to the MOBIO Shareholders in connection with the MOBIO Meeting;

- (q) “**Interim Order**” means an interim order of the Court concerning the Arrangement in respect of MOBIO, containing declarations and directions with respect to the Arrangement and the holding of the MOBIO Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
  - (r) “**MOBIO Meeting**” means the special meeting of the MOBIO Shareholders to be held on a date to be determined by the board of directors of Mobio;
  - (s) “**MOBIO Shareholder**” means a holder of MOBIO Shares;
  - (t) “**MOBIO Shares**” means the Common Shares without par value in the authorized share structure of the Company;
  - (u) “**Notice of Meeting**” means the notice of special meeting of the MOBIO Shareholders in respect of the MOBIO Meeting;
  - (v) “**Odyssey**” means Odyssey Trust Company, the registrar and transfer agent of MOBIO;
  - (w) “**Parties**” means MOBIO and Subco and “**Party**” means any one of them;
  - (x) “**Person**” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other representative;
  - (y) “**Plan of Arrangement**” means this plan of arrangement, as amended or supplemented from time to time in accordance with Article 6 hereof;
  - (z) “**Registrar**” means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
  - (aa) “**Tax Act**” means the Income Tax Act (Canada), as may be amended, or replaced, from time to time.
- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## **ARTICLE 2.**

### **ARRANGEMENT AGREEMENT**

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement will become effective in accordance with its terms and be binding on the Effective Date on the MOBIO Shareholders.

**ARTICLE 3.  
ARRANGEMENT**

- 3.1 On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding anything contained in the provisions attaching to any of the Parties, but subject to the provisions of Article 6:
- (a) subject to the obtaining the required approvals, MOBIO will transfer the Assets to Subco in consideration for the number equal to the number of MOBIO Shares as of the Record Date of Subco common shares less the number of Subco common shares already issued to MOBIO (collectively the “**Distributed Subco Shares**”). The central securities register of Subco shall be amended accordingly.
  - (b) The authorized share capital of MOBIO will be altered by:
    - (i) changing the identifying name of the MOBIO Shares to Class A common shares without par value, being the “**MOBIO Class A Common Shares**”;
    - (ii) creating a class consisting of an unlimited number of common shares without par value (the “**New MOBIO Shares**”); and
    - (iii) creating a class consisting of an unlimited number of Class A preferred shares without par value, having the rights and restrictions described in Schedule A to the Plan of Arrangement, being the MOBIO Class A Preferred Shares.
  - (c) Each issued MOBIO Class A Common Share will be exchanged for one New MOBIO Share and one MOBIO Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the MOBIO Class A Common Shares will be removed from the central securities register of MOBIO and will be added to the central securities register as the holders of the number of New MOBIO Shares and MOBIO Class A Preferred Shares that they have received on the exchange.
  - (d) All of the issued MOBIO Class A Common Shares will be cancelled with the appropriate entries being made in the central securities register of MOBIO and the aggregate paid up capital (as that term is used for purposes of the Tax Act) of the MOBIO Class A Common Shares immediately prior to the Effective Date will be allocated between the New MOBIO Shares and the MOBIO Class A Preferred Shares so that the aggregate paid up capital of the MOBIO Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Subco Shares as of the Effective Date, and each MOBIO Class A Preferred Share so issued will be issued by MOBIO at an issue price equal to the aggregate fair market value of the Distributed Subco Shares as of the Effective Date, divided by the number of issued MOBIO Class A Preferred Shares, such aggregate fair market value of the Distributed Subco Shares to be determined as at the Effective Date by resolution of the board of directors of MOBIO. MOBIO will redeem the issued MOBIO Class A Preferred Shares for consideration consisting solely of the Distributed Subco Shares such that each holder of MOBIO Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Subco Shares that is equal to the number of MOBIO Class A Preferred Shares held by such holder multiplied by the Conversion Factor.
  - (e) MOBIO will redeem the issued MOBIO Class A Preferred Shares for consideration consisting solely of the Distributed Subco Shares such that each holder of MOBIO Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Subco Shares that is equal to the number of MOBIO Class A Preferred Shares held by such holder multiplied by the Conversion Factor;
  - (f) The name of each holder of MOBIO Class A Preferred Shares will be removed as such from the central securities register of MOBIO, and all of the issued MOBIO Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of MOBIO.
  - (g) The Distributed Subco Shares transferred to the holders of the MOBIO Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of MOBIO Class A Preferred Shares and appropriate entries will be made in the central securities registers of Subco.

- (h) The MOBIO Class A Common Shares and the MOBIO Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(e) above are completed, will be cancelled and the authorized share structure of MOBIO will be changed by eliminating the MOBIO Class A Common Shares and the MOBIO Class A Preferred Shares therefrom.
  - (i) The Notice of Articles of MOBIO will be amended to reflect the changes to its authorized share structure made pursuant to the Plan of Arrangement.
- 3.2 Notwithstanding §3.1(e) and §3.1(i) no fractional Subco Shares shall be distributed to the MOBIO Shareholders, as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Distributed Subco Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of MOBIO in its absolute discretion.
  - 3.3 The holders of the MOBIO Class A Common Shares and the holders of New MOBIO Shares and MOBIO Class A Preferred Shares referred to in §3.1(c), and the holders of the MOBIO Class A Preferred Shares referred to in §3.1 (e), §3.1(f) and §3.1(g), shall mean in all cases those persons who are MOBIO Shareholders at the close of business on the Share Distribution Record Date, subject to Article 5.
  - 3.4 In addition to the chronological order in which the transactions and events set out in §3.1 shall occur and shall be deemed to occur, the time on the Effective Date for the redemption of the MOBIO Class A Preferred Shares set out in §3.1(e) shall occur and shall be deemed to on the Effective Date.
  - 3.5 All New MOBIO Shares, MOBIO Class A Preferred Shares and Subco Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.
  - 3.6 The Arrangement shall become final and conclusively binding on the MOBIO Shareholders and Subco Shareholders and the Parties on the Effective Date.
  - 3.7 Notwithstanding that the transactions and events set out in §3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of the Parties shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in §3.1 including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, and any necessary additions to or deletions from share registers.

#### **ARTICLE 4. CERTIFICATES**

- 4.1 Recognizing that the MOBIO Shares shall be re-designated as MOBIO Class A Common Shares pursuant to §3.1(b)(i) and that the MOBIO Class A Common Shares shall be exchanged partially for New MOBIO Shares and MOBIO Class A Preferred Shares pursuant to §3.1(c), MOBIO shall not issue replacement share certificates representing the MOBIO Class A Common Shares.
- 4.2 Recognizing that the Distributed Subco Shares shall be transferred to the MOBIO Shareholders as consideration for the redemption of the MOBIO Class A Preferred Shares pursuant to §3.1(e), Subco shall issue one share certificate representing all of the respective Distributed Subco Shares, registered in the name of MOBIO, which share certificate shall be held by the Depositary until the Distributed Subco Shares are transferred to the MOBIO Shareholders and such certificate shall then be cancelled by the Depositary. To facilitate the transfer of the Distributed Subco Shares to the MOBIO Shareholders as of the Share Distribution Record Date, MOBIO shall execute and deliver to the Depositary and the Transfer Agent an irrevocable power of attorney, authorizing them to distribute and transfer the Distributed Subco Shares to such MOBIO Shareholders in accordance with the terms of this Plan of Arrangement and Subco shall deliver a treasury order or such other direction to effect such issuance to the Transfer Agent as requested by it.



- 4.3 Recognizing that all of the MOBIO Class A Preferred Shares issued to the MOBIO Shareholders pursuant to §3.1(c) will be redeemed by MOBIO as consideration for the distribution and transfer of the Distributed Subco Shares under §3.1(e), MOBIO shall issue one share certificate representing all of the MOBIO Class A Preferred Shares issued pursuant to §3.1(c) and §3.1(e) in the name of the Depository, for the benefit of the MOBIO Shareholders until such MOBIO Class A Preferred Shares are redeemed, and such certificate shall then be cancelled.
- 4.4 As soon as practicable after the Effective Date, Subco shall cause (through the Transfer Agent) to be issued to the registered holders of MOBIO Shares as of the Share Distribution Record Date, share certificates representing the respective Subco Shares to which they are entitled pursuant to this Plan of Arrangement and shall cause such share certificates or direct registration statements (“DRS”) to be mailed to such registered holders.
- 4.5 From and after the Effective Date, share certificates representing MOBIO Shares immediately before the Effective Date, except for those deemed to have been cancelled pursuant to Article 5, shall for all purposes be deemed to be share certificates representing New MOBIO Shares, and no new share certificates shall be issued with respect to the New MOBIO Shares issued in connection with the Arrangement.
- 4.6 MOBIO Shares traded, if any, after the Share Distribution Record Date and prior to the Effective Date shall represent New MOBIO Shares, and shall not carry any right to receive a portion of the Distributed Subco Shares.

#### **ARTICLE 5. DISSENTING SHAREHOLDERS**

- 5.1 Notwithstanding §3.1 hereof, holders of MOBIO Shares may exercise rights of dissent (the “**Dissent Right**”) in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in sections 237 – 247 of the BCBCA (collectively, the “**Dissent Procedures**”).
- 5.2 MOBIO Shareholders who duly exercise Dissent Rights with respect to their MOBIO Shares (“**Dissenting Shares**”) and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to MOBIO for cancellation immediately before the Effective Date; or
  - (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting MOBIO Shareholder and shall receive New MOBIO Shares and Subco Shares on the same basis as every other non-dissenting MOBIO Shareholder, and in no case shall MOBIO be required to recognize such person as holding MOBIO Shares on or after the Effective Date.
- 5.3 If a MOBIO Shareholder exercises the Dissent Right, MOBIO shall on the Effective Date set aside and not distribute that portion of the Distributed Subco Shares that is attributable to the MOBIO Shares for which the Dissent Right has been exercised. If the dissenting MOBIO Shareholder is ultimately not entitled to be paid for their Dissenting Shares, MOBIO shall distribute to such MOBIO Shareholder his, her or its pro-rata portion of the respective Distributed Subco Shares. If a MOBIO Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid fair value for their Dissenting Shares, then MOBIO shall retain the portion of Distributed Subco Shares attributable to such MOBIO Shareholder (collectively, the “**Non-Distributed Shares**”), and the Non-Distributed Shares shall be dealt with as determined by the board of directors of MOBIO in its absolute discretion.

#### **ARTICLE 6. AMENDMENTS**

- 6.1 The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:

- (a) set out in writing;
  - (b) filed with the Court and, if made following the MOBIO Meeting, approved by the Court; and
  - (c) communicated to holders of MOBIO Shares and Subco Shares, as the case may be, if and as required by the Court.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by MOBIO at any time prior to the MOBIO Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the MOBIO Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- 6.3 MOBIO, with the consent of the other parties, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the MOBIO Meeting and prior to the Effective Date with the approval of the Court.
- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Parties or any former holder of MOBIO Shares and Subco Shares as the case may be.

**ARTICLE 7.  
REFERENCE DATE**

- 7.1 This Plan of Arrangement is dated for reference August 28, 2018.

**SCHEDULE A  
TO THE PLAN OF ARRANGEMENT**

**SPECIAL RIGHTS AND RESTRICTIONS FOR CLASS A PREFERRED SHARES**

The Class A Preferred Shares as a class has or shall have attached to them the following special rights and restrictions:

**Definitions**

- (1) In these Special Rights and Restrictions,
  - (a) “**Arrangement**” means the arrangement pursuant to Division 5 of Part 9 of the Business Corporations Act (British Columbia) S.B.C 2002, c.57 as contemplated by the Arrangement Agreement,
  - (b) “**Arrangement Agreement**” means the Arrangement Agreement dated as of August 28, 2018 between MOBIO TECHNOLOGIES INC. (the “**Company**”) and 0968998 B.C. LTD.
  - (c) “**Old Common Shares**” means the common shares in the authorized share structure of the Company that have been re-designated as Class A Common Shares without par value pursuant to the Plan of Arrangement,
  - (d) “**Effective Date**” means the date upon which the Arrangement becomes effective,
  - (e) “**New MOBIO Shares**” means the Common Shares without par value created in the authorized share structure of the Company pursuant to the Plan of Arrangement, and
  - (f) “**Plan of Arrangement**” means the Plan of Arrangement attached as Schedule “A” to the Arrangement Agreement.
- (2) The holders of the Class A Preferred Shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) Class A Preferred Shares shall only be issued on the exchange of Old Common Shares for New MOBIO Shares and Class A Preferred Shares pursuant to and in accordance with the Plan of Arrangement.
- (4) The capital to be allocated to the Class A Preferred Shares shall be the amount determined in accordance with §3.1(d) of the Plan of Arrangement.
- (5) The Class A Preferred Shares shall be redeemable by the Company pursuant to and in accordance with the Plan of Arrangement.
- (6) Any Class A Preferred Share that is or is deemed to be redeemed pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

**SCHEDULE B  
TO THE ARRANGEMENT AGREEMENT**

**ASSETS**

**MOBIO TECHNOLOGIES INC. ASSETS TO BE TRANSFERRED TO 0968998 B.C. LTD.**

<u>Name of Entity</u>	<u>Total investment amount including interest</u>	<u>Asset Type</u>
500 Startups Canada, L.P.	87,500.00	Limited Partnership Units
Creative Labs L.P.	150,000.00	Limited Partnership Units
Sockeye Technologies Inc.	226,509.50	Convertible Promissory Note
7777882 Canada, Inc.	32,748.49	Common Shares
Blue Mesa Health Inc.	135,692.91	Convertible Debentures
SiteMax Systems Inc.	258,041.09	Convertible Promissory Note and Warrants
Exahash Cryptomining Corp.	102,821.92	Convertible Promissory Note and Warrants
Skift Inc.	58,781.05	Common Shares
Twenty Year Media Corp.	34,856.03	Common Shares
Total	1,086,950.99	

## SCHEDULE "5"

### Dissent Procedures

#### DISSENT PROCEDURES

#### Division 2 — Dissent Proceedings

##### Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

##### Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

### **Waiver of right to dissent**

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

### **Notice of resolution**

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

### **Notice of court orders**

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

### **Notice of dissent**

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

### **Notice of intention to proceed**

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
    - (i) the date on which the company forms the intention to proceed, and
    - (ii) the date on which the notice of dissent was received, or
  - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
  - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
  - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

### **Completion of dissent**

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
  - (b) the certificates, if any, representing the notice shares, and
  - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
  - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
    - (i) the names of the registered owners of those other shares,
    - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
    - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
  - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

### **Payment for notice shares**

- 245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
  - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,



- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
- (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
  - (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
  - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
  - (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
  - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
  - (a) the company is insolvent, or
  - (b) the payment would render the company insolvent.

#### **Loss of right to dissent**

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

#### **Shareholders entitled to return of shares and rights**

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

# mobio technologies

**Mobio Technologies Inc.**

**Pro-forma Consolidated Financial Statement**

**As at July 31, 2018**

(Expressed in Canadian Dollars)

(Unaudited)

**MOBIO TECHNOLOGIES INC.**  
**PRO-FORMA STATEMENT OF FINANCIAL POSITION**  
(Expressed in Canadian dollars - Unaudited)

As at July 31, 2018	Mobio Technologies Inc.	Note 2	Pro-forma Adjustments	Mobio Technologies Inc. Pro-forma
<b>ASSETS</b>				
<u>Current Assets</u>				
Cash	\$ 76,883	b	\$ (55)	\$ 76,828
Restricted cash	25,235			25,235
Accounts receivable	14,074			14,074
Deposits and prepaid expenses	20,251			20,251
	136,443		(55)	136,388
<u>Non-Current Assets</u>				
Due from 0968998 BC Ltd.	-	b	5,452,889	5,452,889
Fixed assets	1,825			1,825
Investments	952,014	a	(952,014)	-
<b>TOTAL ASSETS</b>	<b>\$ 1,090,282</b>		<b>\$ 4,500,820</b>	<b>\$ 5,591,102</b>
<b>LIABILITIES</b>				
<u>Current Liabilities</u>				
Trade payables and accruals	\$ 563,927	b	\$ (268,309)	\$ 295,618
Short-term loans payable	528,223			528,223
Deferred revenue and customer deposits	631			631
<b>TOTAL LIABILITIES</b>	<b>1,092,781</b>		<b>(268,309)</b>	<b>824,472</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>				
Share capital	24,531,666			24,531,666
Warrant reserve	565,664			565,664
Equity portion of debt	35,366			35,366
Share-based payments reserve	387,056			387,056
Deficit	(25,522,251)	a	(952,014)	(20,753,122)
		b	5,721,143	
<b>TOTAL EQUITY (DEFICIENCY)</b>	<b>(2,499)</b>		<b>4,769,129</b>	<b>4,766,630</b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>	<b>\$ 1,090,282</b>		<b>\$ 4,500,820</b>	<b>\$ 5,591,102</b>

See accompanying notes to the pro-forma consolidated financial statement.

**NOTE 1 – BASIS OF PRESENTATION**

The unaudited pro-forma consolidated financial statement of Mobio Technologies Inc. (“Mobio”) has been prepared by management for the purpose of inclusion in the Management Information Circular for Annual General and Special Meeting of Mobio dated November 20, 2018. This pro-forma consolidated financial statement gives effect to the proposed plan of arrangement whereby Mobio will transfer its investments to its subsidiary company, Plank Ventures Ltd. (“Plank”) (formerly 0968998 BC Ltd.). The shares of Plank will then be distributed to the shareholders of Mobio.

The unaudited pro-forma consolidated financial statement is not necessarily indicative of the financial position of Mobio on the date of completion of the plan of arrangement.

The unaudited pro-forma consolidated statement of financial position gives effect to the plan of arrangement and has been prepared as if the transaction described above occurred on July 31, 2018.

The unaudited pro-forma consolidated financial statement has been compiled using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and by the International Financial Reporting Interpretations Committee.

**NOTE 2 – PROPOSED TRANSACTIONS**

The unaudited pro-forma consolidated financial statement gives effect to the following transactions and assumptions as if they had occurred on July 31, 2018:

- a) Mobio transferred investments of \$952,014 to Plank.
- b) The assets, liabilities and equity of Plank were removed from the consolidated statement of financial position of Mobio to reflect the distribution of shares of Plank to the shareholders of Mobio.

# mobio technologies

## **Mobio Technologies Inc.**

Consolidated Financial Statements

(EXPRESSED IN CANADIAN DOLLARS)

**For the Years Ended July 31, 2018 and 2017**

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DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mobio Technologies Inc.

We have audited the accompanying consolidated financial statements of Mobio Technologies Inc., which comprise the consolidated statements of financial position as at July 31, 2018 and 2017, and the consolidated statements of comprehensive loss, changes in shareholders equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mobio Technologies Inc. as at July 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that cast significant doubt about Mobio Technologies Inc.'s ability to continue as a going concern.

A handwritten signature in dark ink, appearing to read 'DMCL'.

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
October 25, 2018

**MOBIO TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

As at July 31,

		2018	2017
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash		\$ 76,883	\$ 118,305
Restricted cash	9	25,235	25,235
Accounts receivable	5	14,074	18,803
Deposits and prepaid expenses		<u>20,251</u>	<u>14,507</u>
		136,443	176,850
<u>Non-Current Assets</u>			
Fixed assets		1,825	3,947
Investments	7	<u>952,014</u>	<u>698,545</u>
<b>TOTAL ASSETS</b>		<b>\$ 1,090,282</b>	<b>\$ 879,342</b>
<b>LIABILITIES</b>			
<u>Current Liabilities</u>			
Trade payables and accruals	10	\$ 563,927	\$ 472,860
Short-term loans payable	11	528,223	150,378
Deferred revenue and customer deposits		<u>631</u>	<u>1,203</u>
<b>TOTAL LIABILITIES</b>		<b><u>1,092,781</u></b>	<b><u>624,441</u></b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	13	24,531,666	23,954,926
Warrant reserve	13	565,664	554,297
Equity portion of debt	11	35,366	-
Share-based payments reserve	13	387,056	489,572
Deficit		<u>(25,522,251)</u>	<u>(24,743,894)</u>
<b>TOTAL EQUITY (DEFICIENCY)</b>		<b><u>(2,499)</u></b>	<b><u>254,901</u></b>
<b>TOTAL LIABILITIES AND EQUITY (DEFICIENCY)</b>		<b>\$ 1,090,282</b>	<b>\$ 879,342</b>
Nature of operations and going concern uncertainty	1		
Subsequent events	19		

*Approved on behalf of the board*

*"Derek Lew"*

Derek Lew, Director

*"Laurie Baggio"*

Laurie Baggio, Chief Executive Officer

See accompanying notes to the consolidated financial statements.

**MOBIO TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(Expressed in Canadian dollars)

<b>Years ended July 31</b>		<b>2018</b>	<b>2017</b>
<b>REVENUE</b>			
Sales		\$ 71,200	\$ 295,584
<b>EXPENSES</b>			
Depreciation		1,830	2,146
Amortization of intangible assets	6	-	927,821
Hosting and computing services		140,763	213,927
Personnel	15	499,393	822,110
Professional fees		34,731	81,889
Office and administration		50,760	63,309
Regulatory and filing costs		25,673	35,289
Marketing		573	23,996
Communications		900	52,150
Website and IT		13,217	42,075
Bank charges and foreign exchange		12,392	5,794
Share-based payments	13,15	70,920	-
		851,152	2,270,506
Finance income	7	(57,117)	(17,146)
Finance costs	11,15	73,608	(2,121)
Loss (gain) on debt repayment	12,13	4,363	(2,974)
Impairment of investment	7	150,000	-
Loss on disposition of assets		987	-
		171,841	(22,241)
<b>Net loss and comprehensive loss for the year</b>		\$ (951,793)	\$ (1,952,681)
<b>Basic and diluted loss per share</b>	14	\$ (0.06)	\$ (0.14)
Weighted average number of common shares outstanding for the year, basic and diluted	14	15,886,228	14,032,505

See accompanying notes to the consolidated financial statements.



# MOBIO TECHNOLOGIES INC.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY(DEFICIENCY)

(Expressed in Canadian dollars)

		Share capital		Reserves					
	Notes	Number of shares	Amount	Warrant reserve	Equity portion of debt	Share-based payments reserve	Deficit	Total	
Balance at August 01, 2016		6,407,787	\$ 22,797,300	\$ 110,703	\$ 2,974	\$ 489,572	\$ (22,791,213)	\$ 609,336	
Shares issued in private placements	13	8,137,500	1,190,487	437,014	-	-	-	1,627,501	
Share issuance costs	13	-	(32,861)	6,580	-	-	-	(26,281)	
Repayment of convertible debenture	12	-	-	-	(2,974)	-	-	(2,974)	
Share consolidation adjustment	13	(9)	-	-	-	-	-	-	
Loss for the year		-	-	-	-	-	(1,952,681)	(1,952,681)	
Balance at July 31, 2017		14,545,278	\$ 23,954,926	\$ 554,297	\$ -	\$ 489,572	\$ (24,743,894)	\$ 254,901	
Shares issued in private placements	13	3,333,340	383,246	116,755	-	-	-	500,001	
Share issuance costs	13	-	(11,292)	(2,215)	-	-	-	(13,507)	
Finders' warrants	13	-	(3,167)	3,167	-	-	-	-	
Shares issued for debt settlement	13	433,335	65,000	-	-	-	-	65,000	
Warrants issued for debt settlement	13	-	-	4,363	-	-	-	4,363	
Exercise of warrants	13	107,500	39,823	(7,573)	-	-	-	32,250	
Expiry of warrants	13	-	103,130	(103,130)	-	-	-	-	
Expiry of options	13	-	-	-	-	(173,436)	173,436	-	
Share-based payments	13	-	-	-	-	70,920	-	70,920	
Equity portion of debt	11	-	-	-	35,366	-	-	35,366	
Loss for the year		-	-	-	-	-	(951,793)	(951,793)	
Balance at July 31, 2018		18,419,453	\$ 24,531,666	\$ 565,664	\$ 35,366	\$ 387,056	\$ (25,522,251)	\$ (2,499)	

See accompanying notes to the consolidated financial statements.

**MOBIO TECHNOLOGIES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)

Years ended July 31,	2018	2017
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$ (951,793)	\$ (1,952,681)
<u>Items not affecting cash</u>		
Depreciation	1,830	2,146
Foreign exchange loss (gain) on investments	(6,844)	5,118
Amortization of intangible assets	-	927,821
Accrued interest income	(46,624)	(17,146)
Accrued interest expense	73,211	378
Impairment of investment	150,000	-
Loss on asset dispositions	987	-
Loss (gain) on debt repayment	4,363	(2,974)
Consulting fees settled in shares	15,000	-
Share-based payments	70,920	-
<u>Net changes in non-cash working capital</u>		
Accounts receivable	4,729	63,090
Deposits and prepaid expenses	(5,744)	(3,982)
Trade payables and accruals	91,066	(204,064)
Deferred revenue and deposits	(572)	(116,285)
Net cash used in operating activities	(599,471)	(1,298,579)
<b>INVESTING ACTIVITIES</b>		
Equipment purchases	(695)	(2,888)
Changes to restricted cash	-	(6)
Cash investments made	(350,000)	(563,722)
Net cash used in investing activities	(350,695)	(566,616)
<b>FINANCING ACTIVITIES</b>		
Proceeds from short-term loans	440,000	150,000
Repayment of short-term loans	(50,000)	(75,000)
Exercise of warrants	32,250	-
Issuance of common shares	500,001	1,627,501
Share issuance costs	(13,507)	(26,281)
Repayment of convertible debenture	-	(134,687)
Net cash provided by financing activities	908,744	1,541,533
<b>NET CASH FLOW FROM OPERATING, INVESTING, AND FINANCING ACTIVITIES</b>		
	(41,422)	(323,662)
CASH, BEGINNING OF THE YEAR	118,305	441,967
CASH, END OF THE YEAR	\$ 76,883	\$ 118,305
<b>NON-CASH INVESTING AND FINANCING INFORMATION:</b>		
Shares issued in settlement of services	\$ 15,000	\$ -
Shares issued in settlement of short-term loans	\$ 50,000	\$ -

See accompanying notes to the consolidated financial statements.

## 1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Mobio Technologies Inc. (“Mobio” or the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on November 19, 1998. On December 6, 2012, the Company was continued into British Columbia and changed its name from Intensity Company Inc. to LX Ventures Inc. On July 7, 2014, the Company changed its name to Mobio Technologies Inc. Mobio is a public company whose shares are listed on the TSX Venture Exchange under the symbol “MBO”. The Company’s primary line of business is Strutta.com Media Inc. (“Strutta”), a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels. In addition, the Company invested in start-up technology companies.

These consolidated financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended July 31, 2018, the Company had a net and comprehensive loss of \$951,793 and negative cash flow from operations of \$599,471. These conditions raise significant doubt about the Company’s ability to continue as a going concern.

The continuing operations of the Company are dependent upon its ability to develop profitable operations in the future and to raise adequate financing, if necessary. The Company has generated operating losses since inception. The application of the going concern concept is dependent on the Company’s ability to achieve viable operations and access financing. Management is of the opinion that additional working capital can be obtained from internal and external sources to meet the Company’s liabilities and commitments. (See Note 19 – Subsequent Events)

There can be no assurance that the Company will be successful in achieving profitability or raising additional cash to finance operations. The consolidated financial statements do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

## 2. BASIS OF PRESENTATION

These consolidated financial statements were authorized for issue on October 25, 2018, by the Board of Directors of the Company.

### **Statement of Compliance**

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

### **Functional and Presentation Currency**

The consolidated financial statements are presented in Canadian dollars, which is the Company’s and its subsidiaries’ functional currency.

## **2. BASIS OF PRESENTATION (CONT'D)**

### **Basis of Measurement**

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

### **Use of estimates and judgments**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

The most significant judgement applied in the preparation of these consolidated financial statements relate to the carrying value of the Company's investments (Note 7). The Company invests in start-up technology companies whose products and services are under development. The successful development and commercialization of these products and services is subject to a high degree of risk. Judgement is applied in the consideration of impairment indicators of investments.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended July 31, 2018. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, current working capital levels, and potential sources of replacement financing.

As a result of the assessment and as described in Note 1 – Nature of Operations and Going Concern Uncertainty, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecast and expectations with respect to access to financing for the next twelve months.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

## **3. NEW ACCOUNTING STANDARDS AND POLICIES**

### **Accounting Standards Issued But Not Yet Applied**

At the date of authorization of these consolidated financial statements, the following standards, amendments and interpretations have not been adopted:

### 3. NEW ACCOUNTING STANDARDS AND POLICIES (CONT'D)

#### **Financial Instruments**

In November 2013, the IASB issued IFRS 9, Financial Instruments, (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39). IFRS 9 (2009) establishes the measurement and classification of financial assets. Financial assets are measured either at fair value through earnings or at amortized cost if certain conditions are met. IFRS 9 (2010) includes guidance on the classification and measurement of financial liabilities.

The most recent amendment, IFRS 9 (2013) includes a new general hedge accounting model, which will align hedge accounting more closely with risk management. Additionally, the new standard removes the January 1, 2015 effective date. The new mandatory effective date of this standard is fiscal years beginning on or after January 1, 2018. The Company is currently assessing the impact that the adoption of the new standard will have on its financial statements.

#### **Revenue from Contracts with Customers**

On May 28, 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard is effective for fiscal years beginning on or after January 1, 2018. The Company has determined that adoption of the new standard will not have a material impact on its financial statements.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The accompanying financial information reflects the same accounting policies and methods of application as the Company's consolidated financial statements for the prior year ended July 31, 2017.

#### **Principles of Consolidation**

These consolidated financial statements consist of Mobio Technologies Inc. and its wholly owned subsidiaries.

#### **(a) Basis of Consolidation**

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries are deconsolidated on the date that control ceases.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (a) Basis of Consolidation (cont'd)

The consolidated financial statements at July 31, 2018 and 2017 include the assets, liabilities, revenues and expenses of the Company's 100% controlled and wholly owned subsidiaries. All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

##### (b) Business Combinations

The acquisitions which meet the definition of a "business", as defined in IFRS 3 – *Business Combinations*, are accounted for as a business combination using the acquisition method, and require the purchase price to be allocated to the fair values of the net assets acquired, including any intangible assets that may have arisen as a result of the acquisition, with the remainder of the purchase price allocated to goodwill. Those acquisitions which did not meet the definition of a business are accounted for as a purchase of assets. The judgments applied to making this determination includes assessing whether the acquisition contains inputs, processes, and outputs as described in IFRS 3.

##### (c) Functional Currency and Presentation

The Company's functional currency is the Canadian dollar and transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities are translated at reporting period rate of exchange. Non-monetary assets and liabilities are translated at historical exchange rates.

Revenue and expenses denominated in a foreign currency are translated at the monthly average exchange rate (except for depreciation and amortization which is translated at historical exchange rates). Gains and losses resulting from the translation adjustments are included in net loss.

##### (d) Intangible Assets and Goodwill

Intangible assets with finite lives consist of acquired technologies and software. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives and are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization commences once the underlying asset is complete and put into use. Cost for intangible assets acquired in a business combination represents the fair value of the asset at the time of the acquisition. Intangible assets with finite lives are currently amortized over the following periods:

<u>Estimated useful life</u>	
Software	3 years

Goodwill is not amortized and is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may be impaired. Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to the CGU to which it relates.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (e) Revenue Recognition

Revenue is recognized when a contractual arrangement is in place, the fee is fixed and determinable, the products and services have been delivered to the customer, and collectability is reasonably assured. The Company's principal source of revenue and recognition of these revenues are as follows:

- (i) On-line subscription fees; and
- (ii) Advertising and sponsorship fees.

Payments received in advance are recorded as deferred revenue and recognized into revenue as services are delivered or subscription time elapses.

##### (f) Financial Instruments

All financial instruments are initially measured at fair value and categorized as either held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale or other financial liabilities.

Held-to-maturity financial assets are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net loss in the period in which they arise.

FVTPL financial instruments are measured at fair value with changes in fair value charged or credited to net loss in the period in which they arise.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net loss in the period in which they arise.

Available-for-sale financial instruments are measured at fair value with changes in fair value charged or credited to other comprehensive income. Impairment losses are reclassified from other comprehensive income and charged to net earnings in the period in which they arise.

The Company has classified its financial instruments as follows:

Cash and restricted cash	Loans and receivables
Investments	FVTPL
Accounts receivable	Loans and receivables
Trade payables	Other financial liabilities
Short-term loans	Other financial liabilities

The carrying amounts for cash and restricted cash, accounts receivable, accounts payable and short-term loans on the statement of financial position approximate their fair value due to the current nature of these instruments.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

##### **(g) Investments**

Investments consist of common shares, preferred shares, warrants, limited partnership units and convertible promissory notes. Investments are initially recorded at cost, being the fair value at the time of acquisition. Subsequent to initial recognition investments continue to be measured at cost less impairment as the fair value of investments cannot be reasonably estimated due to the absence of reliable fair value information. Cost less impairment is therefore the Company's best estimate of fair value.

At the end of each financial reporting period, the Company's management evaluates potential fair value indicators of investments based on the criteria below and records such adjustment or impairment in the financial statements directly in net loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. Absent the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment, and any value estimated from these techniques may not be realized (Note 2).

The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to the Company.

Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the Consolidated Statements of Comprehensive Loss.

##### **(h) Share-Based Payments**

Stock options issued are accounted for in accordance with fair value accounting for share-based payments. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option pricing model. The associated expense is charged to profit or loss with a corresponding increase to share-based payment reserves over the vesting period of the option on a straight-line basis. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Compensation expense for stock options granted to non-employees is recorded as an expense in the period at the earlier of the completion of performance and the date the options are vested using the fair value method.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (h) Share-Based Payments (cont'd)

As the options are exercised, the consideration paid, along with the amount previously recognized in share-based payment reserves, is recorded as an increase to share capital. For stock options which have expired or been forfeited, the amount previously recognized in share-based payments reserve is reclassified to deficit.

##### (i) Warrants

The proceeds from private placements that include warrants are allocated on a relative fair value basis between the common shares and warrants. The fair value attributed to warrants is recorded in warrant reserves within equity. If the warrants are converted, the consideration paid, along with the amount previously recognized in warrant reserves, is recorded as an increase to share capital. Upon expiry of warrants, any fair value attributed is reclassified to share capital.

##### (j) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

Impairment is determined by assessing if the carrying value of a CGU, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell or the value in use. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

Impairment losses are recognized in profit or loss in the period in which the impairment is identified. Impairment losses recognized in respect of a CGU are allocated first to reduce the carrying value of goodwill allocated to the CGU and any excess is allocated to the carrying amount of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### **(k) Contingent Liabilities**

A contingent liability is defined as a possible obligation arising from past events or a present obligation where it is not probable that an outflow of resources will occur or the amount of obligation cannot be measured. On determining the probability of occurrence and estimate of exposure, the Company relies upon their understanding of the past event, including activities undertaken by other parties. Contingent liabilities are disclosed unless the probability of occurrence is remote. There are no contingent liabilities disclosed for the Company.

##### **(l) Comprehensive Income (Loss)**

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net loss. Comprehensive loss is equal to net loss for the years ended July 31, 2018 and 2017.

##### **(m) Non-Monetary Transactions**

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction. When the fair value of a non-monetary transaction cannot be accurately measured it is recorded at the carrying amount of the asset given up adjusted by the fair value of any monetary consideration received or given.

##### **(n) Loss per Share**

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted-average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. The method requires computation as if the proceeds from the exercisable options and warrants would be used to purchase common shares at the average market price during the period. For the periods presented, diluted loss per share is equal to basic loss per share since the effects of stock options and warrants were anti-dilutive.

##### **(o) Income Taxes**

Income tax expense consists of current and deferred tax expenses. Income tax expense is recognized in net loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(o) Income Taxes (cont'd)**

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or investments in subsidiaries and equity investments to the extent it is probable that they will not be reversed in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that asset.

**(p) Convertible Debentures and Short-Term Loans**

Convertible debentures and short-term loans are separated into their liability and equity components on the Consolidated Statements of Financial Position. The liability component is initially recognized at fair value, determined as the net present value of future payments of interest and principal, discounted at the market rate for similar non-convertible liabilities at the time of issue. The liability component is subsequently measured at amortized cost, using the effective interest method, until extinguished upon conversion or maturity.

The fair value of the equity component of debt is estimated using the residual method in which the difference between the face value of the instrument and the fair value of the liability component is allocated as the fair value of the equity component. The issuance costs have been allocated on a pro-rata basis between the debt and equity components. See Note 11 – Short-Term Loans and Note 12 – Convertible Debentures for additional information.

**5. ACCOUNTS RECEIVABLE**

Accounts receivable consist primarily of amounts due from customers and excise taxes refundable. Amounts due from customers relate to the operations of Strutta.

		<b>July 31</b>		<b>July 31,</b>
		<b>2018</b>		<b>2017</b>
Trade receivables	\$	11,326	\$	16,452
GST recoverable		2,748		2,351
<b>Total accounts receivable</b>	<b>\$</b>	<b>14,074</b>	<b>\$</b>	<b>18,803</b>

**6. INTANGIBLE ASSETS**

The Company's intangible assets consisted entirely of software-related intangible assets.

<b>Cost</b>	
Balance, July 31, 2018 and 2017	\$ 7,539,896
<b>Amortization</b>	
Balance, July 31, 2016	6,612,075
Amortization for the year	927,821
Balance, July 31, 2018 and 2017	\$ 7,539,896
<b>Carrying amount, July 31, 2018 and 2017</b>	<b>\$ -</b>

**7. INVESTMENTS**

The Company's investee companies are startup companies in the online gaming, travel information, media content distribution, healthcare, and business services sectors. Investments consist of common shares, preferred shares, warrants, convertible notes and limited partnership units. The Company does not presently have any positions that result in significant influence.

Convertible notes are unsecured and bear interest annually at rates from 8 to 10% and mature in two years or less. The notes are convertible upon certain future events transpiring, and such events are uncertain as to both their occurrence and their magnitude. See Note 2 – Basis of Presentation for judgement applied in the assessment of impairment of investments.

During the year ended July 31, 2018, the Company made four investments for a total of \$350,000 (2017 - \$563,722). During the year ended July 31, 2017, the Company entered into an investment agreement with a limited partnership for a total commitment of \$1,000,000 and advanced the initial commitment of \$150,000. During the year ended July 31, 2018, the Company decided not to invest further in the limited partnership and has recorded an impairment of \$150,000 on this investment in the consolidated statement of comprehensive loss for the year ended July 31, 2018.

The following tables set forth the changes to the Company's investments during the years ended July 31, 2018 and 2017:

**Year ended July 31, 2018**

	<b>Investments</b>				<b>Foreign</b>	
	<b>Opening</b>	<b>Additions</b>	<b>Interest</b>		<b>Exchange</b>	<b>Fair Value</b>
<b>Balance</b>	<b>Accrued</b>		<b>Impairment</b>	<b>Gain</b>		
Investments	\$ 698,545	\$ 350,000	\$ 46,624	\$ (150,000)	\$ 6,845	\$ 952,014

7. INVESTMENTS (CONT'D)

Year ended July 31, 2017

	Opening Balance	Additions	Interest Accrued	Impairment	Foreign Exchange (Loss)	Fair Value
Investments	\$ 122,795	\$ 563,722	\$ 17,146	\$ -	\$ (5,118)	\$ 698,545

8. COMMITMENTS

In May 2017, the Company entered into an office lease agreement for three years. Minimum lease commitments under the agreement are:

To July 2019	\$ 16,601
To July 2020	12,852
	<u>\$ 29,453</u>

9. RESTRICTED CASH

The Company has pledged \$25,235 (2017 - \$25,235) in cash as collateral against the credit limits of credit cards issued to the Company. Cash pledged is held in short-term GICs maturing in 30 days or less.

10. TRADE PAYABLES AND ACCRUALS

As of July 31, 2018, the Company's trade payables and accrued expenses were as follows:

	July 31, 2018	July 31, 2017
Trade payables	\$ 275,895	\$ 299,778
Accrued liabilities	288,032	173,082
Total trade payables and accruals	<u>\$ 563,927</u>	<u>\$ 472,860</u>

Included in accrued liabilities at July 31, 2018 is \$240,000 (July 31, 2017 - \$120,000) owing to an officer of the Company and included in trade payables is \$3,938 (July 31, 2017 - \$Nil) owing to an officer of the Company. (see Note 15 – Related Party Transactions)

11. SHORT-TERM LOANS PAYABLE

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured, bears interest at 10% per annum and matures on July 12, 2018. During the year ended July 31, 2018, the Company recorded \$7,839 (year ended July

**11. SHORT-TERM LOANS PAYABLE (CONT'D)**

31, 2017 – \$241) in interest and accretion on the loan and made a payment of \$25,000 in cash and \$25,000 in common shares of the Company. The balance of the loan at July 31, 2018 is \$4,147 consisting of unpaid interest (2017 - \$50,241). (See Note 15 – Related Party Transactions).

On July 27, 2017, the Company received a loan in the amount of \$100,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matured on July 27, 2018. Currently the loan is repayable on demand and continues to bear interest at 10%. During the year ended July 31, 2018, the Company recorded \$18,327 (year ended July 31, 2017 - \$137) in interest and accretion on the loan. The balance of the loan at July 31, 2018 is \$110,624 (2017 - \$100,137). (See Note 15 – Related Party Transactions).

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. During the year ended July 31, 2018, the Company accrued \$1,843 (year ended July 31, 2017 - \$Nil) in interest on the loan. Principal and any unpaid interest are due on September 12, 2018. The balance of the loan at July 31, 2018 is \$21,843. (See Note 15 – Related Party Transactions).

On October 3, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on October 3, 2018. During the year ended July 31, 2018, the Company recorded \$7,436 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan. The balance of the loan at July 31, 2018 is \$53,504. (See Note 15 – Related Party Transactions).

On November 6, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on November 6, 2018. During the year ended July 31, 2018, the Company recorded \$6,599 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan. The balance of the loan at July 31, 2018 is \$52,667. (See Note 15 – Related Party Transactions).

On November 7, 2017, the Company received a loan in the amount of \$150,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on November 7, 2018. During the year ended July 31, 2018, the Company recorded \$19,722 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan. The balance of the loan at July 31, 2018 is \$157,925. (See Note 15 – Related Party Transactions).

On December 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on December 12, 2018. During the year ended July 31, 2018, the Company recorded \$5,690 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan. The balance of the loan at July 31, 2018 is \$51,758. (See Note 15 – Related Party Transactions).

On February 27, 2018, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on February 27, 2019. During the year ended July 31, 2018, the Company accrued \$864 (year ended July 31, 2017 - \$Nil) in interest on the loan. The balance of the loan at July 31, 2018 is \$20,864. (See Note 15 – Related Party Transactions).

**11. SHORT-TERM LOANS PAYABLE (CONT'D)**

The above loans were initially recognized at their face value less the value of the equity component of \$35,366, as determined by discounting the loans at an appropriate market rate.

On December 21, 2017, the Company received a loan in the amount of \$100,000. The loan is unsecured, bears interest at 10% per annum and matures on December 21, 2018. Current value includes accrued interest of \$1,126. During the year ended July 31, 2018, the Company accrued \$4,891 (year ended July 31, 2017 - \$Nil) in interest on the loan and made a payment of \$25,000 in cash and \$25,000 in common shares of the Company. The loan balance at July 31, 2018 is \$54,891.

The short-term loans are made up as follows:

	<b>Liability component</b>	<b>Equity component</b>
<b>Balance, July 31, 2016</b>	\$ 209,687	\$ 2,974
Issuance	150,000	-
Interest accrued	1,421	-
Repayments	(210,730)	(2,974)
<b>Balance, July 31, 2017</b>	150,378	-
Issuance	404,634	35,366
Interest accrued and accretion	73,211	-
Repayments	(100,000)	-
<b>Balance, July 31, 2018</b>	\$ 528,223	\$ 35,366

**12. CONVERTIBLE DEBENTURES**

On December 15, 2015, the Company issued an unsecured convertible debenture (the "Debenture") in the principal amount of \$375,000 (the "Principal Amount") to Lanebury Growth Capital Ltd., (the "Lender"). The Debenture had an original maturity date of June 1, 2016 (the "Maturity Date"), with interest accruing at a rate of 12% per annum and payable upon maturity ("Interest"). At the option of the Lender, on or prior to the Maturity Date, the Principal Amount and all accrued Interest may have been converted into common shares of the Company (the "Conversion Right") at a price per common share of \$0.30, subject to such minimum conversion price as may be prescribed by the policies of the TSX Venture Exchange (the "Conversion"). The Lender could only elect to convert the Principal Amount and Interest in whole and not in part.

The Debenture was a compound financial instrument which consisted of the debt instrument and the equity conversion feature. At initial recognition, the Company allocated the proceeds between debt and equity. The allocation was performed by first estimating the fair value of the debt instrument by discounting expected future cash flows at a market rate of interest applicable to a similar liability without an equity component. The Company then used the residual method to determine the value of the equity component represented by the conversion feature.

## 12. CONVERTIBLE DEBENTURES (CONT'D)

On January 15, 2016, the Company entered into a transaction with Twenty Year Media Corp. ("TYM") and the Lender whereby \$250,000 of the Principal Amount and \$2,500 in Interest was assumed by TYM, and the Company agreed to transfer cash in the amount of \$250,000 to TYM, in aggregate, from the date of the Debenture's issuance. Upon completion of this transaction, the Debenture issued by the Company had a Principal Amount of \$125,000. The Maturity Date and rate of interest remained unchanged. The Conversion Right then only applied to the resulting \$125,000 Principal Amount and Interest accrued up to and including the Maturity Date.

During the year ended July 31, 2017, the Company repaid the Debenture and interest in full, by way of a cash payment of \$135,730, as the Lender did not exercise the Conversion Right. Upon repayment of the Debenture, the Company de-recognized the equity component of the Debenture, realizing a gain of \$2,974, which is included under "gain on debt repayment" on the Company's Consolidated Statements of Comprehensive Loss.

## 13. SHARE CAPITAL

### Authorized:

- Unlimited number of common shares without par value.
- Unlimited number of preferred shares without par value, non-voting and entitled to such dividends as may be set by the Board of Directors of the Company.

### Issued and outstanding shares

During the year ended July 31, 2018, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "Consolidation"). Prior to the Consolidation, the Company had 36,838,907 common shares issued and outstanding. No fractional shares were issued pursuant to the Consolidation, and subsequent to the Consolidation, the Company had 18,419,453 common shares issued and outstanding.

During the year ended July 31, 2017, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares then outstanding. No fractional shares were issued pursuant to this consolidation.

All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for both consolidations, including all such numbers presented for the prior year.

On March 26, 2018, the Company completed a private placement financing, issuing 3,333,340 units at a price of \$0.15 per unit for gross proceeds of \$500,001. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at \$0.30 for a period of two years from the date of issuance. Share issuance costs of \$9,634, including finders' fees in the amount of \$6,072, and 40,475 finders' warrants with a fair value of \$3,167 were paid in connection with the private placement. The finders' warrants are exercisable at \$0.15 per share for a period of one year from the date of issuance. The fair value of the finders' warrants was determined using the Black-Scholes pricing model with a risk-free rate of 1.79%, a volatility factor of 124.74%, dividends of nil, and an expected life of the warrants of one year. The fair value of warrants issued in connection with the private placement was \$116,755.



### 13. SHARE CAPITAL (CONT'D)

On April 23, 2018, the Company issued 433,335 common shares and 50,000 share purchase warrants to settle debt of \$65,000, of which \$25,000 was owing to a related party. The share purchase warrants are exercisable at \$0.30 per share for a period of two years from the date of issuance. The Company recorded a loss on debt settlement of \$4,363.

On August 24, 2016, the Company closed a non-brokered private placement for gross proceeds of \$1,627,501. The Company issued 8,137,500 units to investors at a price of \$0.20 per unit, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at a price of \$0.30 for a period of 24 months. In connection with the private placement, the Company incurred share issuance costs of \$32,861 including cash finders' fees of \$12,300 and 122,500 finders' warrants valued at \$6,580. The finders warrants have the same exercise price and terms as the warrants forming part of the units. The fair value of warrants issued in connection with the private placement was \$437,014.

#### **Warrants**

In connection with the private placement financing completed on March 26, 2018, the Company issued 1,666,670 share purchase warrants, the fair value of which was \$196,955, calculated using the Black-Scholes option pricing model, and this value is included under "warrant reserves" on the Company's Consolidated Interim Statements of Financial Position. The warrants are exercisable at a price of \$0.30 per share for a period of two years from the date of issuance.

In connection with the debt settlement completed on April 23, 2018, the Company issued 50,000 share purchase warrants, the fair value of which was \$4,363, calculated using the Black-Scholes option pricing model, and this value is included under "warrant reserves" on the Company's Consolidated Interim Statements of Financial Position. The warrants are exercisable at a price of \$0.30 per share for a period of two years from the date of issuance.

During the year ended July 31, 2018, 107,500 warrants were exercised for proceeds of \$32,250 and 1,463,928 warrants exercisable at \$0.30 expired. The fair value of the expired warrants of \$103,130 was reclassified from warrant reserve to share capital.

In connection with the private placement financing completed on August 24, 2016, the Company issued 4,130,000 share purchase warrants, the fair value of which was \$437,014 calculated using the Black-Scholes option pricing model, and this value is stated under "warrant reserves" on the Company's Consolidated Interim Statements of Financial Position. The warrants have a life of 24 months.

**13. SHARE CAPITAL (CONT'D)**

**Warrants (cont'd)**

Share purchase warrant transactions during the years ended July 31, 2018 and 2017, were as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2016	1,571,428	\$ 0.30
Warrants issued	4,130,000	0.30
Balance, July 31, 2017	5,701,428	0.30
Warrants issued	1,757,145	0.30
Warrants exercised	(107,500)	0.30
Warrants expired	(1,463,928)	0.30
Balance, July 31, 2018	5,887,145	\$ 0.30

The weighted average life of the warrants is 0.53 years.

The following assumptions were used for the valuation of share purchase warrants issued during the years ended July 31, 2018 and 2017:

	July 31, 2018	July 31 2017
Risk-free interest rate	1.80%	0.61%
Expected life	24 months	20 months
Estimated volatility	147%	175%
Dividend rate	0.00%	0.00%

As at July 31, 2018, the following warrants were issued and exercisable:

Number of Warrants	Exercise Price	Expiry Date
4,130,000	\$ 0.30	August 24, 2018
40,475	\$ 0.15	March 26, 2019
1,666,670	\$ 0.30	March 26, 2020
50,000	\$ 0.30	April 23, 2020
5,887,145		

**Stock Options**

Under the Company's Stock Option Plan, options may be granted to directors, officers, employees and consultants of the Company. Options expire between two and five years after being issued or thirty days after an optionee ceases to be engaged in a bona fide manner with the Company. The Board of Directors has the discretion to extend the expiration period on cessation of engagement. The maximum number of common shares authorized for issuance by the Board of Directors under the plan is limited to 10% of the total issued and outstanding common shares of the Company and the

**13. SHARE CAPITAL (CONT'D)**

**Stock Options (cont'd)**

aggregate number of common shares to be delivered upon exercise of the options to any one individual granted under the plan may not exceed 5% of the common shares issued and outstanding.

On January 19, 2018, the Company issued 400,000 incentive stock options to key members of the Company at an exercise price of \$0.22 per share and exercisable for ten years. Options issued to directors and 50% of the balance of the options vested immediately with the remainder of the options vesting in one year. The fair value of the options granted was \$79,968 determined using the Black Scholes option pricing model with the following assumptions: risk free rate of 2.23%, volatility of 222.78%, and expected life of 10 years. Share-based payments of \$70,920 (2017 - \$Nil) were recorded in the year ended July 31, 2018 in connection with the options.

During the year ended July 31, 2018, 33,750 options expired. The fair value of the expired options of \$173,436 was reclassified from share-based payments reserve to deficit.

No options were issued during the year ended July 31, 2017.

A summary of the changes in the Company's outstanding stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance July 31, 2017 and 2016	188,875	\$ 4.60
Issued	400,000	\$ 0.22
Expired	(33,750)	\$ 7.75
Balance, July 31, 2018	555,125	\$ 1.25

The weighted average life of the options is 7.13 years.

As at July 31, 2018, the following stock options were issued and exercisable:

Outstanding (#)	Exercisable (#)	Exercise Price (\$)	Expiry Date
18,000	18,000	6.00	Oct. 11, 2018
9,625	9,625	20.00	Dec. 24, 2018
6,250	6,250	10.00	Apr. 2, 2019
96,250	96,250	2.00	Oct. 31, 2019
25,000	25,000	2.00	Dec. 3, 2019
400,000	325,000	0.22	Jan. 19, 2028
555,125	480,125		

**14. LOSS PER SHARE**

The basic loss per common share is calculated using the weighted average number of common shares outstanding during the period. Any warrants and stock options outstanding as at July 31, 2018 and 2017 have not been included in the calculation of diluted loss per common share as the effect of their inclusion would be anti-dilutive.

Loss per share is calculated as follows:

<b>Loss Per Share Calculation</b>	<b>Weighted Average Shares Outstanding</b>	<b>Net Loss</b>	<b>Loss Per Share</b>
Year ended July 31, 2018	15,886,228	\$ (951,793)	\$ (0.06)
Year ended July 31, 2017	14,032,505	\$ (1,952,681)	\$ (0.14)

**15. RELATED PARTY TRANSACTIONS**

Payments to key management and directors during the years ended July 31, 2018 and 2017 were as follows:

	<b>2018</b>	<b>2017</b>
Management fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	\$ 165,000	\$ 198,000
Share-based payments to directors and officers	46,727	-
<b>Total compensation</b>	<b>\$ 211,727</b>	<b>\$ 198,000</b>

Fees paid to directors and officers are included in the line item "Personnel" in the Company's Consolidated Statements of Comprehensive Loss.

For other related party loans see Note 11 – Short-Term Loans Payable.

Interest and accretion recorded on related party loans is as follows:

	<b>2018</b>	<b>2017</b>
Interest and accretion accrued on loans payable to companies with a common director and officer or to companies controlled by directors and/officers	\$ 68,320	\$ 378

Included in accrued liabilities at July 31, 2018 is \$240,000 (2017 - \$120,000) owing to an officer of the Company and included in trade payables is \$3,938 (2017 - \$Nil) owing to an officer of the Company.

**16. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, restricted cash, accounts receivable, investments, trade payables and short-term loans payable. As at July 31, 2018 and 2017, there were no significant differences between the carrying amounts of these items and their estimated fair values. The carrying value of these items approximates their fair values.

## 16. FINANCIAL INSTRUMENTS (CONT'D)

### **Fair Value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of July 31, 2018, all of the Company's investments are classified as Level 3, other than cash which is classified as Level 1.

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Market risk
- Currency risk

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company manages its financial instruments with the objective of minimizing potential interest rate risk, which generally means avoiding interest-bearing obligations other than in unusual circumstances. The Company is not exposed to significant interest rate risk as the Company's investments and liabilities have fixed interest rates.

### **Credit Risk**

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, restricted cash, and accounts receivable. Management believes that the credit risk with respect to cash and restricted cash is minimal as balances are held with a high-credit quality financial institution. Accounts receivable have historically been subject to very few bad debts.

### **Liquidity Risk**

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising funds to sustain operations. The Company controls liquidity risk by management of working capital and cash flows. The Company's ability to meet its future obligations may depend in significant part on the extent to which the Company can raise sufficient funds or implement successfully its business growth and cost reduction strategies. The Company cannot provide any assurance that it will be able to implement its strategy fully or that the anticipated results of its strategy will be realized.

**16. FINANCIAL INSTRUMENTS (CONT'D)**

**Market Risk**

The Company's exposure to financial market risk is limited, as it presently does not have any investments where value fluctuates as a result of changes in prices quoted in open markets.

**Currency risk**

The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. The Company's cash assets, investments, and liabilities are denominated in Canadian and US dollars. Additionally, a portion of Strutta's revenues are denominated in US dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of July 31, 2018, the Company does not use derivative instruments to reduce its exposure to currency risk.

**17. CAPITAL MANAGEMENT**

The Company defines capital as an aggregate of cash, common shares, warrants and stock options. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company targets to meet this objective by managing working capital to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements in the near term. The Board of Directors does not establish quantitative return on capital criteria for management. In recent years, the Company has relied on funds generated through the issuance of common shares and short-term loans to supplement funds generated from operations.

**18. INCOME TAXES**

A reconciliation of the calculated income taxes for the fiscal years ended July 31, 2018 and 2017 are as follows:

	July 31, 2018	July 31, 2017
Combined federal and provincial statutory income tax rate	27.00%	26.00%
Accounting loss before income taxes	\$ (951,793)	\$ (1,952,681)
Expected income tax recovery at statutory rates	(256,984)	(507,697)
Non-deductible expenditures	19,148	628
Other	83,208	79,994
Effect of changes in tax rate	(257,160)	-
Change in valuation	411,788	427,075
<b>Income tax recovery</b>	<b>\$ -</b>	<b>\$ -</b>

**18. INCOME TAXES (CONT'D)**

The Company did not recognize the following deferred tax assets for the following deductible temporary differences:

	July 31, 2018	July 31, 2017
Non-capital losses	\$ 14,871,907	\$ 14,029,797
Capital losses	6,403,418	6,454,402
Other deductible temporary differences	1,137,476	1,048,105
	<u>22,412,801</u>	<u>21,532,304</u>
Tax benefits not recognized	(22,412,801)	(21,532,304)
Balance	\$ -	\$ -

The Company's tax loss carry-forwards that it can apply against income in future years are as follows:

<b>Tax Non-capital loss carry-forward schedule</b>		
<b>Year of expiry</b>		<b>Amount</b>
2026	\$	113,597
2027		112,640
2028		168,755
2029		243,923
2030		136,128
2031		266,894
2032		650,632
2033		1,790,667
2034		6,752,599
2035		1,340,198
2036		1,337,922
2037		1,116,791
2038		841,161
	<u>\$</u>	<u>14,871,907</u>

**19. SUBSEQUENT EVENTS**

Subsequent to the year-end:

- 1) The Company extended the original expiry date of August 24, 2018, of 4,068,750 common share purchase warrants by twelve months. The new expiry date has been extended to August 24, 2019.
- 2) The Company received a loan in the amount of \$200,000 from a third party. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 17, 2020.

**19. SUBSEQUENT EVENTS (CONT'D)**

- 3) The Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 20, 2020.
- 4) The Company received a loan in the amount of \$379,828 (US\$300,000) from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 30, 2020.
- 5) The Company purchased 945,945 units of ThinkCX Technologies, Inc. ("ThinkCX") for \$350,000. Each unit consisted of one Series 1 Class A Preferred share of ThinkCX and one Series 1 Class A Preferred share purchase warrant of ThinkCX. Each purchase warrant entitles the Company to purchase one Series 1 Class A Preferred share of ThinkCX at an exercise price of \$0.37 per share for a period ending on August 23, 2019.



# mobio technologies

## **Mobio Technologies Inc.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEARS ENDED**

**JULY 31, 2018 AND 2017**

**TO OUR SHAREHOLDERS****October 25, 2018****MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following is management's discussion and analysis ("MD&A") of Mobio Technologies Inc.'s ("Mobio" or the "Company") operating and financial results for the years ended July 31, 2018, and 2017, as well as information and expectations concerning the Company's outlook based on currently available information. This report is dated October 25, 2018.

This MD&A should be read in conjunction with the Company's audited annual financial statements for the years ended July 31, 2018 and 2017. Additional information is available at [www.sedar.com](http://www.sedar.com).

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management no less than quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

**CAUTION REGARDING FORWARD-LOOKING INFORMATION**

This MD&A contains forward-looking information including the Company's future plans. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward looking information, including but not limited to statements pertaining to Company's future plans and management's belief as to the Company's potential involve known and unknown risks uncertainties, which could be significant, and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operations, future capital and other expenditures (including the amount, nature and sources of funding for such expenditures), business prospects and opportunities. These risks related to forward looking information include, but are not limited to: the risks associated with the commercial viability of any technologies the Company is in the process of developing or deploying, delays or changes in plans with respect to any technologies, costs and expenses, the risk of foreign exchange rate fluctuations, risks associated with securing the necessary regulatory approvals and financing to proceed with any planned business venture, product development or deployment, and risks and uncertainties regarding the potential to economically scale and bring to profitability any of the Company's current or planned endeavors. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause the results of the Company's business to not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Risk Management section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

## 1. SUMMARY OF OPERATIONS AND EVENTS

The Company was originally incorporated under the Business Corporations Act (Alberta) on November 19, 1998. On December 6, 2012, the Company changed its name to LX Ventures Inc. and was continued into British Columbia under the Business Corporations Act (British Columbia). On July 7, 2014, the Company again changed its name to Mobio Technologies Inc.

### **Development of the Company's Business**

Over the past several years, Mobio has completed a series of acquisitions that give it a footprint in the social media space. The Company is now focused primarily on one of these acquired assets, Strutta.com Media Inc. ("Strutta"). Strutta is a social promotions platform that allows brands to run contests and sweepstakes across multiple social web channels.

### **Share Consolidation**

During the year ended July 31, 2018, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "Consolidation"). Prior to the Consolidation, the Company had 36,838,907 common shares issued and outstanding. No fractional shares were issued pursuant to the Consolidation, and subsequent to the Consolidation, the Company had 18,419,453 common shares issued and outstanding.

During the prior year, on December 1, 2016, the Company consolidated its common shares on the basis of 1 new share for every 2 old shares (the "2016 Consolidation"). No fractional shares were issued pursuant to the 2016 Consolidation.

All comparative references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been restated for the Consolidations, including all such numbers presented for the prior year.

### **Financing Activities**

On August 30, 2018, the Company received a loan in the amount of \$379,828 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 30, 2020.

On August 20, 2018, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 20, 2020.

On August 17, 2018, the Company received a loan in the amount of \$200,000. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 17, 2020.

On April 23, 2018, the Company issued 433,335 common shares and 50,000 share purchase warrants to settle debt of \$65,000, of which \$25,000 was owing to a related party. The share purchase warrants are exercisable at \$0.30 per share for a period of two years from the date of issuance.

On March 26, 2018, the Company completed a private placement financing, issuing 3,333,340 units at a price of \$0.15 per unit for gross proceeds of \$500,001. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at \$0.30 for a period of two years from the date of issuance. The fair value of share purchase warrants issued in connection with the private placement was \$116,755 determined using the Black-Scholes pricing model with a risk-free rate of 1.79%, a volatility factor of 147.53%, dividends of nil, and an expected life of the warrants of two years. Share issuance costs of \$9,634 including finders' fees in the amount of \$6,072, and 40,475 finders' warrants with a fair value of \$3,167 were

paid in connection with the private placement. The finders' warrants are exercisable at \$0.15 per share for a period of one year from the date of issuance.

On February 27, 2018, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on February 27, 2019. Current value includes accrued interest of \$864. During the year ended July 31, 2018, the Company accrued \$864 (year ended July 31, 2017 - \$Nil) in interest on the loan.

On December 21, 2017, the Company received a loan in the amount of \$100,000. The loan is unsecured, bears interest at 10% per annum and matures on December 21, 2018. Current value includes accrued interest of \$1,126. During the year ended July 31, 2018, the Company accrued \$4,891 (year ended July 31, 2017 - \$Nil) in interest on the loan and made a payment of \$25,000 in cash and \$25,000 in common shares of the Company. The loan balance at July 31, 2018 is \$54,891.

On December 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on December 12, 2018. During the year ended July 31, 2018, the Company recorded \$5,690 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan. (See Note 11– Short-Term Loans Payable).

On November 7, 2017, the Company received a loan in the amount of \$150,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on November 7, 2018. During the year ended July 31, 2018, the Company recorded \$19,722 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On November 6, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on November 6, 2018. During the year ended July 31, 2018, the Company recorded \$6,599 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On October 3, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on October 3, 2018. During the year ended July 31, 2018, the Company recorded \$7,436 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. During the year ended July 31, 2018, the Company accrued \$1,843 (year ended July 31, 2017 - \$Nil) in interest on the loan. Principal and any unpaid interest are due on September 12, 2018.

On July 27, 2017, the Company received a loan in the amount of \$100,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matured on July 27, 2018. During the year ended July 31, 2018, the Company recorded \$18,327 (year ended July 31, 2017 - \$137) in interest and accretion on the loan.

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured, bears interest at 10% per annum and matures on July 12, 2018. During the year ended July 31, 2018, the Company recorded \$7,839 (year ended July 31, 2017 – \$241) in interest and accretion on the loan and made a payment of \$25,000 in cash and \$25,000 in common shares of the Company. The balance of the loan at July 31, 2018 is \$4,147.

On August 24, 2016, the Company closed a non-brokered private placement for gross proceeds of \$1,627,501. The Company issued 8,137,500 units to investors at a price of \$0.20 per unit, with each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant entitles

the holder to acquire one additional common share at a price of \$0.30 for a period of 24 months. In connection with the private placement, the Company incurred share issuance costs of \$32,861 including cash finders' fees of \$12,300 and 122,500 finders' warrants valued at \$6,580. The finders' warrants have the same exercise price and terms as the warrants issued as part of the private placement units. The fair value of warrants issued in connection with the private placement was \$437,014.

## 2. EARNINGS AND EXPENSES

Following is a discussion of the Company's consolidated financial results for the three months and years ended July 31, 2018, and 2017. The consolidated financial statements of the Company for the years ended July 31, 2018, and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All inter-company balances and transactions have been eliminated upon consolidation.

### Revenue

The Company's revenues primarily consist of software licensing fees and usage fees generated by Strutta.

The Company's revenues for the three-month period ended July 31, 2018, were \$12,691 compared to \$117,585 for the three months ended July 31, 2017, a decrease of \$104,894. The Company's revenues for the year ended July 31, 2018, were \$71,200 compared to \$295,584 for the year ended July 31, 2017, a decrease of \$224,384. The decreases in revenue are primarily due to a decrease in Strutta services income.

### Expenses

The Company's expenses for the three-month period ended July 31, 2018, were \$192,520 compared to \$261,749 for the three-month period ended July 31, 2017, a decrease of \$69,229. The decrease is largely related to the following:

- A decrease of \$45,801 in personnel due to a decrease in amounts paid to staff and consultants related to the decrease in Strutta services revenue during the current period;
- A decrease of \$13,245 in communications due to the expiry of a contract with an investor relations consultant engaged in the prior year period;
- A decrease of \$14,250 in hosting and computing services related to the reduction in Strutta services revenue during the current period;

The Company's expenses for the year ended July 31, 2018, were \$851,152 compared to \$2,270,506 for the year ended July 31, 2017, a decrease of \$1,419,354. The decrease is largely related to the following:

- A decrease of \$927,821 in amortization of intangible assets. Intangible assets were fully amortized in the first half of 2017 resulting in no amortization for the year ended July 31, 2018;
- A decrease of \$322,717 in personnel due to a decrease of \$33,000 paid to management, and a decrease of \$289,717 paid to staff and consultants related to the decrease in Strutta services revenue during the current year;

- A decrease of \$73,164 in hosting and computing services related to the reduction in Strutta services revenue during the current year;
- A decrease of \$51,250 in communications due to the expiry of a contract with an investor relations consultant engaged in the prior year;
- A decrease of \$28,858 in website and IT related to the reduction in Strutta services revenue during the current period;
- A decrease of \$23,423 in marketing costs due to the expiry of a contract with a marketing consultant engaged in the prior year.

These decreases were partially offset by an increase of \$70,920 in share-based payments related to the issue of 400,000 stock options to officers, directors and consultants of the Company in the current year.

### Loss and Loss Per Share

The Company's net and comprehensive loss for the three-month period ended July 31, 2018, was \$333,701 compared to a net and comprehensive loss of \$126,596 for the same period in the prior year. The Company's net and comprehensive loss for the year ended July 31, 2018, was \$951,793 compared to a net and comprehensive loss of \$1,952,681 for the prior year.

Loss per share for the three-month period ended July 31, 2018, was \$0.02 compared to \$0.01 for the three-month period ended July 31, 2017. Loss per share for the year ended July 31, 2018, was \$0.06 compared to \$0.14 for the prior year.

The Company's loss per share is illustrated in the following table:

Loss Per Share Calculation	Weighted Average Shares Outstanding	Net Loss	Loss Per Share
Three months ended July 31, 2018	18,419,433	\$ (333,701)	\$ (0.02)
Three months ended July 31, 2017	14,545,279	\$ (126,596)	\$ (0.01)
Year ended July 31, 2018	15,886,228	\$ (951,793)	\$ (0.06)
Year ended July 31, 2017	14,032,505	\$ (1,952,681)	\$ (0.14)

### 3. LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2018, the Company had a working capital deficit of \$956,338, compared to \$447,591 at July 31, 2017. Management has been actively engaged in developing new business, curtailing costs and in securing the resources necessary from internal and external sources to fulfill all of the Company's planned activities.

On August 30, 2018, the Company received a loan in the amount of \$379,828 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 30, 2020.

On August 20, 2018, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 20, 2020.

On August 17, 2018, the Company received a loan in the amount of \$200,000. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 17, 2020.

On April 23, 2018, the Company issued 433,335 common shares and 50,000 share purchase warrants to settle debt of \$65,000, of which \$25,000 was owing to a related party. The share purchase warrants are exercisable at \$0.30 per share for a period of two years from the date of issuance.

On March 26, 2018, the Company completed a private placement financing, issuing 3,333,340 units at a price of \$0.15 per unit for gross proceeds of \$500,001. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at \$0.30 for a period of two years from the date of issuance. Share issuance costs of \$9,634, including finders' fees in the amount of \$6,072, and 40,475 finders' warrants with a fair value of \$3,167 were paid in connection with the private placement. The finders' warrants are exercisable at \$0.15 per share for a period of one year from the date of issuance.

On February 27, 2018, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on February 27, 2019.

On December 21, 2017, the Company received a loan in the amount of \$100,000. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on December 21, 2018.

On December 12, 2017, the Company received a loan in the amount of \$50,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on December 12, 2018.

On November 7, 2017, the Company received a loan in the amount of \$150,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on November 7, 2018.

On November 6, 2017, the Company received a loan in the amount of \$50,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on November 6, 2018.

On October 3, 2017, the Company received a loan in the amount of \$50,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on October 3, 2018.

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on September 12, 2018.

On July 26, 2017, the Company received a loan in the amount of \$100,000 from Lanebury. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 26, 2018. Interest of \$137 is accrued on the loan at July 31, 2017.

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on July 12, 2018. Interest of \$241 is accrued on the loan at July 31, 2017.

During the year ended July 31, 2017, the Company completed a private placement financing in which it raised \$1,627,500 (see Summary of Operations and Events).

The Company's continued activities over the long term are dependent upon the Company's ability to raise additional capital in the future, achieve profitability, monetize one or more of its proprietary technologies, or reduce discretionary expenditures.

#### 4. SELECTED ANNUAL INFORMATION

The following table provides a summary of the Company's financial operations for the three most recently completed financial years. For more detailed information pertaining to the Company, please see Mobio's audited annual consolidated financial statements for the years ended July 31, 2018 and 2017.

SELECTED ANNUAL INFORMATION					
Year ended July 31,	2018		2017		2016
Revenue	\$	71,200	\$	295,584	\$ 605,566
Expenses	\$	851,152	\$	2,270,506	\$ 5,004,685
Other income (expenses)	\$	(171,841)	\$	22,241	\$ (739,007)
Net and comprehensive loss	\$	(951,793)	\$	(1,952,681)	\$ (5,124,983)
Earnings (loss) per share, basic and fully diluted	\$	(0.06)	\$	(0.14)	\$ (3.12)
Cash	\$	76,883	\$	118,305	\$ 441,967
Working capital surplus (deficiency)	\$	(956,338)	\$	(447,591)	\$ (444,485)
Total assets	\$	1,090,282	\$	879,342	\$ 1,613,435
Shareholders' equity	\$	(2,499)	\$	254,901	\$ 609,336

#### 5. SELECTED QUARTERLY INFORMATION

The following table provides a brief summary of the Company's financial results for each of the eight most recent quarters. For additional information pertaining to the Company's quarterly results, please refer to the Company's audited annual consolidated financial statements for the years ended July 31, 2018, and 2017, to the Company's condensed consolidated interim financial statements for corresponding periods, and to the MD&A for each period presented, which are available at [www.sedar.com](http://www.sedar.com).

SUMMARY OF QUARTERLY RESULTS								
Quarter ended	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31
	2018	2018	2018	2017	2017	2017	2017	2016
Revenue	\$ 12,691	\$ 7,435	\$ 24,394	\$ 26,680	\$ 117,585	\$ 35,302	\$ 98,288	\$ 44,409
Expenses	192,520	209,799	244,346	204,487	261,749	334,117	849,463	825,177
Net loss	(333,701)	(207,485)	(227,363)	(183,244)	(126,596)	(295,702)	(745,014)	(785,369)
Loss per share, basic and diluted	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)	(0.05)	(0.06)
Cash	76,883	232,694	32,374	11,202	118,305	191,838	505,154	1,124,245
Working Capital	(956,338)	(760,699)	(991,028)	(626,701)	(447,591)	(281,686)	87,093	770,208
Total assets	1,090,282	1,381,539	1,047,372	772,348	879,342	932,532	1,248,430	1,943,089
Shareholders' equity (deficiency)	(2,499)	328,368	(22,746)	87,362	254,901	381,495	677,197	1,422,211



## 6. RELATED PARTY TRANSACTIONS

Payments to key management and directors, for the years ended July 31, 2018, and 2017 were as follows:

	2018	2017
Management fees paid to current and former directors and/or officers, or to companies controlled by directors and/or officers	\$ 165,000	\$ 198,000
Share-based payments to directors and officers	46,727	-
Total compensation	\$ 211,727	\$ 198,000

Fees paid to directors and officers are included in the line item "Personnel" in the Company's Consolidated Statements of Comprehensive Loss.

In March 2017, the Company entered into an agreement to invest \$1,000,000 in a company with a common director. As of July 31, 2018, \$150,000 has been advanced. The Company has decided not to advance any additional funds and does not have any commitment at July 31, 2018 with respect to this investment.

During the year ended July 31, 2017, \$25,000 of short-term loans were repaid to a company controlled by a director of the Company. These loans were unsecured and non-interest bearing.

On July 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and officer. The loan is unsecured, bears interest at 10% per annum and matures on July 12, 2018. During the year ended July 31, 2018, the Company recorded \$7,839 (year ended July 31, 2017 - \$241) in interest and accretion on the loan and made a payment of \$25,000 in cash and \$25,000 in common shares of the Company. The balance of the loan at July 31, 2018 is \$4,147.

On July 27, 2017, the Company received a loan in the amount of \$100,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matured on July 27, 2018. During the year ended July 31, 2018, the Company recorded \$18,327 (year ended July 31, 2017 - \$137) in interest and accretion on the loan.

On September 12, 2017, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. During the year ended July 31, 2018, the Company accrued \$1,843 (year ended July 31, 2017 - \$Nil) in interest on the loan. Principal and any unpaid interest are due on September 12, 2018.

On October 3, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on October 3, 2018. During the year ended July 31, 2018, the Company recorded \$7,436 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On November 6, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on November 6, 2018. During the year ended July 31, 2018, the Company recorded \$6,599 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On November 7, 2017, the Company received a loan in the amount of \$150,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on November 7, 2018. During the year ended July 31, 2018, the Company recorded \$19,722 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On December 12, 2017, the Company received a loan in the amount of \$50,000 from a company with a common director and a common officer. The loan is unsecured, bears interest at 10% per annum and matures on December 12, 2018. During the year ended July 31, 2018, the Company recorded \$5,690 (year ended July 31, 2017 - \$Nil) in interest and accretion on the loan.

On February 27, 2018, the Company received a loan in the amount of \$20,000 from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on February 27, 2019. Current value includes accrued interest of \$864. During the year ended July 31, 2018, the Company accrued \$864 (year ended July 31, 2017 - \$Nil) in interest on the loan.

Interest and accretion recorded on related party loans is as follows:

	2018	2017
Interest and accretion accrued on loans payable to companies with a common director and officer or to companies controlled by directors and/officers	\$ 68,320	\$ 378

As of July 31, 2017, "Trade payables and accruals" on the Company's Consolidated Statements of Financial Position included \$240,000 due to a director and officer of the Company.

## 7. NEW ACCOUNTING STANDARDS AND POLICIES

### Accounting Standards Issued But Not Yet Applied

At the date of authorization of these consolidated financial statements, the following standards, amendments and interpretations have not been adopted:

#### Financial Instruments

In November 2013, the IASB issued IFRS 9, Financial Instruments, (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39). IFRS 9 (2009) establishes the measurement and classification of financial assets. Financial assets are measured either at fair value through earnings or at amortized cost if certain conditions are met. IFRS 9 (2010) includes guidance on the classification and measurement of financial liabilities.

The most recent amendment, IFRS 9 (2013) includes a new general hedge accounting model, which will align hedge accounting more closely with risk management. Additionally, the new standard removes the January 1, 2015 effective date. The new mandatory effective date of this standard is fiscal years beginning on or after January 1, 2018. The Company has determined that adoption of the new standard will not have a material impact on its financial statements.

#### Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard is effective for fiscal years beginning on or after January 1, 2018. The Company has determined that adoption of the new standard will not have a material impact on its financial statements.

## 8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, restricted cash, accounts receivable, investments, trade payables, and short-term loans. As at July 31, 2018, and July 31, 2017, there were no significant differences between the carrying amounts of these items and their estimated fair values. The carrying value of these items approximates their fair values.

Short term loans are measured at amortized cost using the effective interest rate method and transaction costs associated with the loans are amortized through net loss over the life of the loans.

### Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's primary financial instruments are classified as follows:

Cash and restricted cash	Loans and receivables
Investments	Fair value through profit or loss
Accounts receivable	Loans and receivables
Trade payables	Other financial liabilities

As of July 31, 2018, all of the Company's investments are classified as Level 3.

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Market risk
- Currency risk

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. All of the Company's loans payable and investments have a fixed interest rate therefore the Company is not currently exposed to interest rate risk.

### Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash, restricted cash, and accounts receivable. Management believes that the credit risk with respect to cash and restricted cash

is minimal as balances are held with a high-credit quality financial institution. Accounts receivable have historically been subject to very few bad debts. During the year ended July 31, 2018, the Company did not record any bad debts. All outstanding receivables were collected or are reasonably assured for their collectability. The Company believes that its current credit practices mitigate exposure to bad debts.

**Liquidity Risk**

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations or raising funds to sustain operations. The Company controls liquidity risk by management of working capital and cash flows.

**Market Risk**

The Company's exposure to financial market risk is limited, as it presently does not have any investments where value fluctuates as a result of changes in prices quoted in open markets.

**Currency risk**

The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. The Company's cash assets, investments, and liabilities are denominated in Canadian dollars and in US dollars. Additionally, a portion of Strutta's revenues are denominated in US dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of July 31, 2018, the Company does not use derivative instruments to reduce its exposure to currency risk.

**8. RISK MANAGEMENT**

Early stage technology companies face many risks. While management is unable to eliminate risks, the Company is intent on identifying and mitigating such risks as much as is reasonably possible.

In evaluating an investment in Mobio, in addition to other information contained in this MD&A, investors should consider the following risk factors associated with Mobio's business of investing in startup companies. These risk factors are not a definitive list of all risk factors associated with the Company and its business.

**Risk of Loss of Entire Investment**

Investing in startup companies involves a high level of risk. Startup companies may fail completely or Mobio may be unable to resell the shares it owns in the startup or collect upon the debt instrument that the Company has purchased from the startup. In these situations, Mobio may lose the entire amount of the investment.

**Return on Investment is Not Guaranteed**

The amount of return on investment, if any, is highly variable and not guaranteed. Some startups may be successful and generate significant returns, but many will not be successful and will only generate small returns, if any at all. Investment returns that the Company may receive will be variable in amount, frequency, and timing.

**Delay in Return on Investment**

Any returns generated by startup companies may take several years to materialize. Most startups take five

to seven years to generate any investment return, if at all.

**Liquidity Risk**

It may be difficult to resell the investment in a startup. Startup investments are privately held companies and are not traded on a public stock exchange. Also, there is currently no readily available secondary market for private buyers to purchase securities of startups. Furthermore, there may be restrictions on the resale of the shares of the startup and the ability to transfer those shares.

**Dilution Risk of the Investment**

Startup companies may need to raise additional capital in the future through the issue of additional shares. This will dilute the percentage ownership that Mobio has in the company.

**Risk of Inaccurate Valuation of the Investment**

Unlike publicly traded companies that are valued through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess. The issuer will set the share price of the investment and there is a risk of overpaying for that investment.

**Risk of Failure of the Startup**

Investments in startups are speculative and these companies often fail. Unlike an investment in a mature business where there is a track record of revenue and income, the success of a startup often relies on the development of a new product or service that may or may not find a market.

**Risk of Profitability of Startup Companies**

A startup company is still in an early phase and may be just beginning to implement its business plan. There can be no assurance that it will ever operate profitably. The likelihood of achieving profitability should be considered in light of the problems, expenses, difficulties, complications and delays usually encountered by companies in their early stages of development. The startup company may not be successful in attaining the objectives necessary for it to overcome these risks and uncertainties.

**Funding risk**

A startup company may require funds in excess of its existing cash resources to fund operating expenses, develop new products, expand its marketing capabilities, and finance general and administrative activities. Due to market conditions at the time the startup company needs additional funding, it is possible that the company will be unable to obtain additional funding when it needs it, or the terms of any available funding may be unfavorable. If the company is unable to obtain additional funding, it may not be able to repay debts when they are due, or the new funding may excessively dilute existing investors. If the company is unable to obtain additional funding as and when needed, it could be forced to delay its development, marketing and expansion efforts and, if it continues to experience losses, potentially cease operations.

**Disclosure risks**

The startup company is at an early stage and may only be able to provide limited information about its business plan and operations because it does not have fully developed operations or a long trading history. The company is also only obligated to provide limited information regarding its business and financial affairs to investors.

**Personnel risks**

An investment in a startup is also an investment in the management of the company. Being able to execute on the business plan is often an important factor in whether the business is viable and successful. The startup company's management may not have the necessary expertise and experience to deliver on the company's business plan.

**Growth risk**

For a startup to succeed, it will need to expand significantly. There can be no assurance that it will achieve this expansion. Expansion may place a significant strain on the company's management, operational and financial resources. To manage growth, the company will be required to implement operational and financial systems, procedures and controls. It also will be required to expand its finance, administrative and operations staff. There can be no assurance that the company's current and planned personnel, systems, procedures and controls will be adequate to support its future operations. The company's failure to manage growth effectively could have a material adverse effect on its business, results of operations, and financial condition.

**Competition risk**

The startup may face competition from other companies, some of which might have received more funding than the startup has. One or more of the company's competitors could offer services similar to those offered by the company at significantly lower prices, which would cause downward pressure on the prices the company would be able to charge for its services. If the company is not able to charge the prices it anticipates charging for its services, there may be a material adverse effect on the company's results of operations and financial condition.

**Market demand risk**

While a startup company believes that there will be customer demand for its products, there is no assurance that there will be broad market acceptance of the company's offerings. There also may not be broad market acceptance of the company's offerings if its competitors offer products which are preferred by prospective customers. In such event, there may be a material adverse effect on the company's results of operations and financial condition, and the company may not be able to achieve its goals.

**Control risks**

Because the company's founders, directors and executive officers may be among the company's largest stockholders, they can exert significant control over the company's business and affairs and have actual or potential interests that may depart from Mobio's. The company's founders, directors and executive officers may own or control a significant percentage of the startup company. In addition to their board seats, such persons will have significant influence over corporate actions requiring stockholder approval, irrespective of how the company's other shareholders, including Mobio, may vote.

**9. ACCOUNTING POLICIES & USE OF CRITICAL ESTIMATES**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

The most significant judgement applied in the preparation of these consolidated financial statements relate to the carrying value of the Company's investments. The Company invests in start-up technology companies whose products and services are under development. The successful development and commercialization of these products and services is subject to a high degree of risk. Judgement is applied in the consideration of impairment indicators of investments.

The preparation of these consolidated financial statements required the use of judgment with respect to assessing whether certain acquisitions meet the definition of a "business" as defined in IFRS 3, Business Combinations. Those acquisitions which meet the definition of a business are accounted for as a business combination using the purchase method and require the purchase price to be allocated to the fair values of the net assets acquired, including any intangible assets that may have arisen as a result of the acquisition, with the remainder of the purchase price allocated to goodwill. Those acquisitions which did not meet the definition of a business are accounted for as a purchase of assets. The judgment applied to making this determination includes assessing whether the acquisition contains inputs, processes, and outputs as described in IFRS 3.

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to asset impairment. The recoverable amount of an asset or a cash generating unit ( "CGU" ) is determined using the greater of fair value less costs to sell and value in use which requires the use of various judgments, estimates, and assumptions. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements for the year ended July 31, 2018. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, current working capital levels, and potential sources of replacement financing.

As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecast and expectations with respect to access to financing for the next twelve months.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

## 10. OUTSTANDING SHARE DATA

As of July 31, 2018, 18,419,453 common shares were issued and outstanding.

As of July 31, 2018, the Company had the following share purchase warrants issued and outstanding:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
4,130,000	\$ 0.30	August 24, 2019
40,475	\$ 0.15	March 26, 2019
1,666,670	\$ 0.30	March 26, 2020
50,000	\$ 0.30	April 23, 2020
<b>5,887,145</b>		

As of July 31, 2018, the Company had the following stock options issued, vested and exercisable:

<b>Outstanding (#)</b>	<b>Exercisable (#)</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
18,000	18,000	6.00	Oct. 11, 2018
9,625	9,625	20.00	Dec. 24, 2018
6,250	6,250	10.00	Apr. 2, 2019
96,250	96,250	2.00	Oct. 31, 2019
25,000	25,000	2.00	Dec. 3, 2019
400,000	325,000	0.22	Jan. 19, 2028
<b>555,125</b>	<b>480,125</b>		

As of the date of this MD&A, the fully diluted share capital of the Company is 24,782,453 shares, comprising 18,419,453 common shares, 5,825,895 share purchase warrants, and 537,125 stock options.



**SCHEDULE "8"**

**0968998 B.C. Ltd.**

Financial Statements

(EXPRESSED IN CANADIAN DOLLARS)

**For the Years Ended July 31, 2018 and 2017**

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Auditor's Report

Statements of Financial Position

Statements of Comprehensive Loss

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Statements of Cash Flows

Notes to Financial Statements



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Director of 0968998 B.C. Ltd:

We have audited the accompanying financial statements of 0968998 B.C. Ltd. which comprise the statements of financial position as at July 31, 2018 and 2017, and the statements of comprehensive loss, changes in shareholders equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 0968998 B.C. Ltd. as at July 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that cast significant doubt about 0968998 B.C. Ltd.'s ability to continue as a going concern.

A handwritten signature in dark ink, appearing to read 'DMCL'.

DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
October 25, 2018

**0968998 B.C. LTD.**

## STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

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As at July 31,

	Note	2018	2017
<b>ASSETS</b>			
Current Assets			
Cash		\$ 55	\$ 86
<b>TOTAL ASSETS</b>		<u>\$ 55</u>	<u>\$ 86</u>
<b>LIABILITIES</b>			
Current Liabilities			
Trade payables and accruals		\$ 268,309	\$ 255,256
Due to parent company	5	<u>5,452,889</u>	<u>5,452,386</u>
<b>TOTAL LIABILITIES</b>		<u>5,721,198</u>	<u>5,707,642</u>
<b>SHAREHOLDER'S DEFICIENCY</b>			
Share capital	6	536,521	536,521
Deficit		<u>(6,257,664)</u>	<u>(6,244,077)</u>
<b>TOTAL DEFICIENCY</b>		<u>(5,721,143)</u>	<u>(5,707,556)</u>
<b>TOTAL LIABILITIES AND DEFICIENCY</b>		<u>\$ 55</u>	<u>\$ 86</u>

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"Laurie Baggio"

Laurie Baggio, Director

See accompanying notes to the financial statements

**0968998 B.C. LTD.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

<b>Years ended July 31</b>		<b>2018</b>	<b>2017</b>
<b>EXPENSES</b>			
Office and administration	\$	534	\$ 1,252
Foreign exchange		13,053	(11,235)
		<u>(13,587)</u>	<u>9,983</u>
<b>Net earnings (loss) and comprehensive income (loss) for the year</b>	\$	(13,587)	\$ 9,983
<b>Basic and diluted earnings (loss) per share</b>	\$	(0.00)	\$ 0.00
Weighted average number of common shares outstanding for the year, basic and diluted		15,265,212	15,265,212

See accompanying notes to the financial statements

**0968998 B.C. LTD.**

## STATEMENT OF CHANGES IN SHAREHOLDER'S DEFICIENCY

(Expressed in Canadian dollars)

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**Years ended July 31, 2018 and 2017**

	Share capital		Deficit	Total
	Number of shares	Amount		
Balance at August 1, 2016	15,265,212	\$ 536,521	\$ (6,254,060)	\$ (5,717,539)
Net loss for the year	-	-	9,983	9,983
Balance at July 31, 2017	15,265,212	536,521	(6,244,077)	(5,707,556)
Net earnings for the year	-	-	(13,587)	(13,587)
Balance at July 31, 2018	15,265,212	\$ 536,521	\$ (6,257,664)	\$ (5,721,143)

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See accompanying notes to the financial statements

**0968998 B.C. LTD.**

## STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

<b>Years ended July 31,</b>	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the year	\$ (13,587)	\$ 9,983
Items not affecting cash		
Foreign exchange loss (gain) on accounts payable	13,053	(11,251)
Net changes in non-cash working capital		
Accounts receivable	-	82
Net cash used in operating activities	(534)	(1,186)
<b>FINANCING ACTIVITIES</b>		
Due to parent company	503	1,120
Net cash provided by financing activities	503	1,120
NET CHANGE IN CASH	(31)	(66)
CASH, BEGINNING OF THE YEAR	86	152
CASH, END OF THE YEAR	\$ 55	\$ 86

See accompanying notes to the financial statements

**1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY**

0968998 B.C. Ltd. (the "Company") was incorporated on May 1, 2013, under the Business Corporations Act. The Company is a wholly owned subsidiary of Mobio Technologies Inc. The Company is planning on investing in business opportunities in the technology arena. The target investments will generally be early-stage start-ups that already have developed a customer and revenue base and are seeking funding for expansion.

These financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended July 31, 2018, the Company had a net and comprehensive loss of \$13,587 and negative cash flow from operations of \$534. These conditions raise significant doubt about the Company's ability to continue as a going concern.

The continuing operations of the Company are dependent upon its ability to develop profitable operations in the future and to raise adequate financing, if necessary. The Company has generated operating losses since inception. The application of the going concern concept is dependent on the Company's ability to achieve viable operations and access financing. Management is of the opinion that additional working capital can be obtained from internal and external sources to meet the Company's liabilities and commitments.

There can be no assurance that the Company will be successful in achieving profitability or raising additional cash to finance operations. The financial statements do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

**2. BASIS OF PRESENTATION**

These financial statements were authorized for issue on October 25, 2018, by the Board of Directors of the Company.

**Statement of Compliance**

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

**Functional and Presentation Currency**

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

**Basis of Measurement**

These financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting.

## 2. BASIS OF PRESENTATION (CON'T)

### **Use of estimates and judgments**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the years ended July 31, 2018 and 2017. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, current working capital levels, and potential sources of replacement financing.

As a result of the assessment and as described in Note 1 – Nature of Operations and Going Concern Uncertainty, management concluded the going concern basis of accounting is appropriate based on its cash flow forecast and expectations with respect to access to financing for the next twelve months.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

## 3. NEW ACCOUNTING STANDARDS AND POLICIES

### **Accounting Standards Issued But Not Yet Applied**

At the date of authorization of these financial statements, the following standards, amendments and interpretations have not been adopted:

#### **Financial Instruments**

In November 2013, the IASB issued IFRS 9, Financial Instruments, (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39). IFRS 9 (2009) establishes the measurement and classification of financial assets. Financial assets are measured either at fair value through earnings or at amortized cost if certain conditions are met. IFRS 9 (2010) includes guidance on the classification and measurement of financial liabilities.

The most recent amendment, IFRS 9 (2013) includes a new general hedge accounting model, which will align hedge accounting more closely with risk management. Additionally, the new standard removes the January 1, 2015 effective date. The new mandatory effective date of this standard is fiscal years beginning on or after January 1, 2018. The Company has determined that adoption of the new standard will not have a material impact on its financial statements.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The accompanying financial information reflects the same accounting policies and methods of application as the Company's financial statements for the prior year ended July 31, 2017.

##### (a) Functional Currency and Presentation

The Company's functional currency is the Canadian dollar and transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities are translated at reporting period rate of exchange. Non-monetary assets and liabilities are translated at historical exchange rates.

Revenue and expenses denominated in a foreign currency are translated at the monthly average exchange rate. Gains and losses resulting from the translation adjustments are included in net loss.

##### (b) Financial Instruments

All financial instruments are initially measured at fair value and categorized as either held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, available-for-sale or other financial liabilities.

Held-to-maturity financial assets are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net loss in the period in which they arise.

FVTPL financial instruments are measured at fair value with changes in fair value charged or credited to net loss in the period in which they arise.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net loss in the period in which they arise.

Available-for-sale financial instruments are measured at fair value with changes in fair value charged or credited to other comprehensive income. Impairment losses are reclassified from other comprehensive income and charged to net earnings in the period in which they arise.

The Company has classified its financial instruments as follows:

Cash	Loans and receivables
Trade payables	Other financial liabilities
Due to parent company	Other financial liabilities

The carrying amounts for cash, accounts payable and amounts due to parent company on the statement of financial position approximate their fair value due to the current nature of these instruments.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method.

##### (c) Contingent Liabilities

A contingent liability is defined as a possible obligation arising from past events or a present obligation where it is not probable that an outflow of resources will occur or the amount of obligation cannot be measured. On determining the probability of occurrence and estimate of exposure, the Company relies upon their understanding of the past event, including activities undertaken by other parties. Contingent liabilities are disclosed unless the probability of occurrence is remote. There are no contingent liabilities disclosed for the Company.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CON'T)**

**(d) Comprehensive Income (Loss)**

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net loss. Comprehensive loss is equal to net loss for the years ended July 31, 2018 and 2017.

**(e) Non-Monetary Transactions**

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance or the fair value cannot be reliably established. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction. When the fair value of a non-monetary transaction cannot be accurately measured it is recorded at the carrying amount of the asset given up adjusted by the fair value of any monetary consideration received or given.

**(f) Loss per Share**

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted-average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. The method requires computation as if the proceeds from the exercisable options and warrants would be used to purchase common shares at the average market price during the period. For the periods presented, diluted loss per share is equal to basic loss per share since the Company does not have any stock options or warrants outstanding.

**(g) Income Taxes**

Income tax expense consists of current and deferred tax expenses. Income tax expense is recognized in net loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or investments in subsidiaries and equity investments to the extent it is probable that they will not be reversed in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that asset.

**5. DUE TO PARENT COMPANY**

Amounts due to the parent company are unsecured, non-interest bearing and without fixed terms of repayment. Repayment will not be required within the next twelve months.

**6. SHARE CAPITAL**

**Authorized:**

Unlimited number of common shares without par value.

**Issued:**

15,265,212 common shares (2017 – 15, 265,212)

**7. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, accounts payable and amounts due to parent company. As at July 31, 2018 and 2017, there were no significant differences between the carrying amounts of these items and their estimated fair values. The carrying value of these items approximates their fair values.

**Fair Value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of July 31, 2018, the Company classified cash as Level 1.

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Currency risk

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company manages its financial instruments with the objective of minimizing potential interest rate risk, which generally means avoiding interest-bearing obligations other than in unusual circumstances. The Company is not subject to any significant interest rate risk.

**7. FINANCIAL INSTRUMENTS (CONT'D)****Credit Risk**

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. Management believes that the credit risk with respect to cash is minimal as balances are held with a high-credit quality financial institution.

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

**Currency risk**

The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. The Company's cash assets and liabilities are denominated in Canadian dollars and United States dollars. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of July 31, 2018, the Company does not use derivative instruments to reduce its exposure to currency risk. The Company is not currently exposed to significant currency risk.

**8. CAPITAL MANAGEMENT**

The Company defines capital as an aggregate of cash and common shares. The Company manages its capital structure to ensure it has sufficient capital to meet its obligations as they come due.

**9. INCOME TAXES**

A reconciliation of the calculated income taxes for the fiscal years ended July 31, 2018 and 2017 are as follows:

	July 31, 2018	July 31, 2017
Combined federal and provincial statutory income tax rate	27.00%	26.00%
Accounting loss before income taxes	\$ (13,587)	\$ 9,983
Expected income tax recovery at statutory rates	(3,668)	2,596
Other temporary differences	3,524	(2,921)
Change in tax benefits not recognized	144	325
<b>Income tax recovery</b>	<b>\$ -</b>	<b>\$ -</b>

**0968998 B.C. LTD.****NOTES TO THE FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

Years ended July 31, 2018 and 2017

**9. INCOME TAXES (CONT'D)**

The Company did not recognize the following deferred tax assets for the following deductible temporary differences:

	July 31, 2018	July 31, 2017
Non-capital losses	\$ 5,623,278	\$ 5,622,745
Capital losses		-
Other deductible temporary differences	<u>453,376</u>	<u>453,376</u>
	6,076,654	6,076,121
Tax benefits not recognized	(6,076,654)	(6,076,121)
Balance	\$ -	\$ -

The Company's tax loss carry-forwards that it can apply against income in future years are as follows:

<b>Tax Non-capital loss carry-forward schedule</b>	
<b>Year of expiry</b>	<b>Amount</b>
2026	
2027	
2028	
2029	
2030	
2031	
2033	198,292
2034	4,726,107
2035	642,533
2036	54,561
2037	1,252
2038	533
	<u>\$ 5,623,278</u>

**10s. SUBSEQUENT EVENT**

The Company received a loan in the amount of \$379,828 (US\$300,000) from a company with a common director and officer. The loan is unsecured and bears interest at 10%. Principal and any unpaid interest are due on August 30, 2020.

## SCHEDULE "9"

### PLANK VENTURES LTD.

#### STOCK OPTION PLAN

##### 1. Purpose

The purpose of the stock option plan (the "**Plan**") of **Plank Ventures Ltd.**, a corporation existing under the *Business Corporations Act* (British Columbia) (the "**Company**") is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares of the Company (the "**Shares**"), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

##### 2. Administration

The Plan shall be administered by the Board of Directors of the Company or by a special committee of the directors appointed from time to time by the Board of Directors of the Company pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Company, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Company and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan. Each option granted by the Company prior to the date of the approval of the Plan by the shareholders of the Company, including options granted under previously approved stock option plans of the Company, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Company.

##### 3. Stock Exchange Rules

If the Shares are listed on a stock exchange, all options granted pursuant to this Plan shall be subject to the rules and policies of the stock exchange or exchanges on which the Shares are listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**"). The policies of the Exchange shall be incorporated by reference into this Plan.

##### 4. Shares Subject to Plan

Subject to adjustment as provided in Section 16 hereof, the shares to be offered under the Plan shall consist of Shares of the Company's authorized but unissued Shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed twenty (20%) percent of the issued and outstanding Shares as at the date of the issuance of Shares pursuant to the Plan of Arrangement between the Company and Mobio Technologies Inc. dated for reference August 28, 2018 (the "Plan of Arrangement"). If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

##### 5. Maintenance of Sufficient Capital

The Company shall at all times during the term of the Plan reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

## 6. Eligibility and Participation

Directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number and class of Shares to be subject to each option. In the case of employees or consultants of the Company or Management Company Employees, the option agreements to which they are party must contain a representation of the Company that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Company or its subsidiaries. A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## 7. Withholding Taxes

The Company shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Participant to the Company, of any taxes or other required source deductions which the Company is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Shares. Without limiting the generality of the foregoing, the Company may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to a Participant;
- (b) require, as a condition of the issuance of Shares to a Participant that the Participant make a cash payment to the Company equal to the amount, in the Company's opinion, required to be withheld and remitted by the Company for the account of the Participant to the appropriate governmental authority and the Company, in its discretion, may withhold the issuance or delivery of Shares until the Participant makes such payment; or
- (c) sell, on behalf of the Participant, all or any portion of Shares otherwise deliverable to the Participant until the net proceeds of sale equal or exceed the amount which, in the Company's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Participant.

## 8. Exercise Price

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Company (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

## 9. Number of Optioned Shares

- (a) The aggregate number of Shares that may be issued pursuant to the exercise of Options awarded under the Plan and all other security based compensation arrangements of the Company shall not exceed twenty (20%) percent of the issued and outstanding Shares immediately following the issuance of Shares pursuant to the Plan of Arrangement, subject to the following additional limitations:
  - (i) the aggregate number of options granted to any one person under the Plan within a twelve (12) month period, together with all other security based compensation arrangements of

- the Company, must not exceed five (5%) percent of the then outstanding number of Shares, in the aggregate (on a non-diluted basis);
- (ii) in the aggregate, no more than ten (10%) percent of the issued and outstanding Shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(1) of the Securities Act (British Columbia) and includes an associate, as defined in subsection 1(1) of the Securities Act (British Columbia) (“Insider(s)”) under the Plan, together with all other security based compensation arrangements of the Company;
  - (iii) the number of securities of the Company issued to Insiders, within any one year period, under all security based compensation arrangements, cannot exceed ten (10%) percent of the issued and outstanding Shares, in the aggregate;
  - (iv) Options shall not be granted if the exercise thereof would result in the issuance of more than two (2%) percent of the issued Shares, in the aggregate, in any twelve (12) month period to any one consultant of the Company (or any of its subsidiaries); and
  - (v) Options shall not be granted if the exercise thereof would result in the issuance of more than two (2%) percent of the issued Common Shares in any twelve (12) month period to persons employed to provide investor relations activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve (12) months with no more than ¼ of the options vesting in any three (3) month period.
- (b) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

#### **10. Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 12 and 13, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, in no circumstances shall the maximum term exceed ten (10) years.

Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan. The ten-business day period referred to in this paragraph may not be extended by the Board.

“**Black Out Period**” means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Company pursuant to any policy of the Company respecting restrictions on trading that is in effect at that time.

#### **11. Option Period, Consideration and Payment**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 12 and 13 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Company or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.
- (d) Except as set forth in Sections 12 and 13, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Company or any of its subsidiaries, or a Management Company Employee of the Company or any of its subsidiaries.



- (e) Subject to Section 7, the exercise of any option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of Common Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Company unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

## **12. Ceasing to Be a Director, Officer, Consultant or Employee**

If a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within thirty (30) days, subject to adjustment at the discretion of the Board, after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee. In the event the Participant was engaged in investor relations activities, exercise must occur within thirty (30) days after the cessation of the Participant's services to the Company.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Company or of any of its subsidiaries or affiliates.

## **13. Death of Participant**

Notwithstanding section 12, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

## **14. Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Company in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

## **15. Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Company and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

## **16. Adjustments**

If the outstanding shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another corporation or entity through a reorganization, amalgamation, arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision, consolidation or similar transaction, or in case of any transfer of all or substantially all of the assets or undertaking of the Company to another entity (any of which being, a "**Reorganization**") any adjustments relating to the Common Shares subject to Options or issued on exercise of Options and the exercise price per Common Share shall be adjusted by the Board, in its sole and absolute discretion, under this Section, provided that a Participant shall be thereafter entitled to receive the amount of securities or property (including cash) to which such Participant would have been entitled to receive as a result of such Reorganization if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of his Option(s).

## **SCHEDULE "10"**

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

### **17. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

### **18. Amendment and Termination of Plan**

The Board may terminate or discontinue the Plan at any time without the consent of the Participants provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Plan.

The Board may by resolution amend this Plan and any Options granted under it without shareholder approval, however, the Board will not be entitled, in the absence of shareholder and Exchange approval, to:

- (a) amend the persons eligible to be granted options under the plan;
- (b) amend the method for determining the exercise price of options;
- (c) reduce the exercise price of an Option held by an Insider of the Company;
- (d) extend the expiry date of an Option held by an Insider of the Company (subject to such date being extended by virtue of paragraph 10 above);
- (e) amend the limitations on the maximum number of Common Shares reserved or issued to Insiders under paragraphs 9(a)(ii) and 9(a)(iii) hereof;
- (f) increase the maximum number of Common Shares issuable pursuant to this Plan; or
- (g) amend the expiry, termination or amendment provisions of this Plan or applicable Options under this Article 18.

Where shareholder approval is sought for amendments under subsections (a), (b) and (c) above, the votes attached to Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded.

### **19. Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Company and any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Shares shall terminate and any option exercise price paid to the Company will be returned to the Participant.

### **20. Effective Date of Plan**

The Plan has been adopted by the Board of the Company subject to the approval of the Exchange and the ratification of the shareholders of the Company and, if so approved and ratified, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

### **21. Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.

## SCHEDULE "10"

### AUDIT COMMITTEE CHARTER

This charter (the "Charter") sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Mobio Technologies Inc. ("Mobio").

The Audit Committee (the "Committee") is a committee of the board of directors (the "Board") of the Company. The role of the Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

#### Duties and Responsibilities

##### *External Auditor*

- a) To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
- b) To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- c) To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- d) To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- e) To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- f) To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
  - i. No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
  - ii. No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;

- iii. The Chief Financial Officer (“CFO”) must approve all office hires from the external auditor; and
  - iv. The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
- g) To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

#### *Financial Information and Reporting*

- (a) To review the Company's annual audited financial statements with the Chief Executive Officer (“CEO”) and CFO and then the full Board. The Committee will review the interim financial statements with the CEO and CFO.
- (b) To review and discuss with management and the external auditor, as appropriate:
  - (i) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
  - (ii) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- (c) To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- (d) To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

#### *Oversight*

- (a) To review the internal audit staff functions, including:
  - (i) The purpose, authority and organizational reporting lines;
  - (ii) The annual audit plan, budget and staffing; and
  - (iii) The appointment and compensation of the controller, if any.
- (b) To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- (c) To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- (d) To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.

- (e) In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

#### *Membership*

- (a) The Committee shall consist solely of three or more members of the Board, the majority of which the Board has determined has no material relationship with the Company and is otherwise "unrelated" or "independent" as required under applicable securities rules or applicable stock exchange rules.
- (b) Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- (c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (d) All members of the Committee must be "financially literate" (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

#### *Procedures*

- (a) The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the "Chair"). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- (b) The Chair will appoint a secretary (the "Secretary") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum, and provided that a majority of the members must be "independent" or "unrelated".
- (d) The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- (e) The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.
- (f) The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.

- (g) The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- (h) The Committee has the authority to communicate directly with the internal and external auditors.

*Reports*

The Committee shall produce the following reports and provide them to the Board:

- (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
- (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.