

*DELIVERED – STRICTLY PRIVATE AND CONFIDENTIAL*

July 27, 2021

Lode Metals Corp.  
707 – 1030 West Georgia Street  
Vancouver, British Columbia  
V6E 2Y3

Attention: Ken Tullar  
President, Chief Executive Officer and Director


The purpose of this letter is to confirm the appointment of Red Cloud Financial Services Inc. (“RCFS”) and, to the extent contemplated herein, Red Cloud Securities Inc. (“RCS”) as non-exclusive independent contractors to Lode Metals Corp. (the “Company”), with RCFS to provide the services to the Company as listed in section 1(a) and, to the extent applicable, RCS to provide the services to the Company as listed in sections 1(b) and 1(c). Where used herein, “Red Cloud” means, collectively, RCFS and RCS.

This letter agreement (this “Agreement”) is intended to record our mutual understanding and agreement regarding the scope and terms of the engagement of Red Cloud. The Services (as defined herein) will commence on [ ], 2021.

#### **1. Services to be Rendered by Red Cloud**

The Company hereby engages Red Cloud on a non-exclusive basis, and Red Cloud agrees to act as the Company’s independent contractor, to use reasonable commercial efforts to provide to the Company the following services (collectively, the “Services”):


- (a) RCFS shall provide marketing and similar advisory services for the Company (collectively, the “Marketing Services”), which includes, but is not limited to, the following:
  - (i) the marketing of the Company to targeted potential investors and their advisors, which includes introducing and setting up meetings between the Company and potential retail brokers and investment advisors, high-net worth individuals, traditional institutional investors and fund managers, private equity investors, as well as potential strategic corporate investors (collectively, the “Interested Parties”);
  - (ii) organizing and administering “roadshows” of the Company for the purposes of marketing the Company to Interested Parties;

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- (iii) reviewing and, if requested, drafting of traditional marketing documents of the Company, including investor presentations;
  - (iv) assisting in the management of social media and traditional media support; and
  - (v) assisting in the creation of video content for the Company to be published and streamed online via RCFS's exclusive video streaming website "Red Cloud TV".
- (b) To the extent requested by the Company, RCS shall identify for, introduce to, discuss with, and/or follow-up for the Company with Interested Parties (each, an "Identified Party") with a view to resulting in a potential transaction such as an M&A transaction (any such transaction contemplated in this section 1(b) below being referred to in this Agreement as a "Transaction") between the Company and one or more Identified Parties, which may include, but is not limited to:
- (i) an equity financing of the Company or its affiliates, or financing by way of equity derivative securities, including securities convertible, exercisable or exchangeable into equity of the Company (collectively, an "Equity Securities Offering");
  - (ii) a financing of the Company or its affiliates by way of a loan, credit facility, swaps, options, synthetic securities, pooling arrangements, asset securitization or other debt instrument or a private or public offering of debt;
  - (iii) an alternative financing to raise funds for use by the Company or its affiliates by way of a royalty, metals or mineral stream, off-take, option, joint venture, lease, licensing, marketing, distribution or similar arrangement; and
  - (iv) a sale, acquisition, merger, amalgamation, plan of arrangement, reorganization or other business combination, sale or arrangement between the Company and any Identified Party.
- (c) Under mandates in which RCS is requested to, and acts as, a financial advisor to the Company in connection with a Transaction, RCS will provide services typically provided by investment bankers in Canada in connection with similar engagements and as the Company may reasonably and specifically request.

For each Identified Party, RCS will provide the name of the Identified Party to the Company and, once explicitly approved by the Company in writing as an Identified Party as solely introduced by RCFS (which may include email and other electronic transmittals), the Identified Party will be immediately included on, and deemed a part of, Schedule "B" to this Agreement. If an Identified Party in (or deemed a part of) Schedule "B" to this Agreement completes a Transaction with the Company during the term of this Agreement or within a period of six (6) months following the expiration or termination of this Agreement, the applicable fees listed in Section 3 that are payable to RCS shall be paid by the Company to RCS.

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The engagement of RCS to perform any additional services in respect section 1(c) as well as any other transaction shall be set forth in, and subject to the terms and conditions of a separate letter agreement or an amendment to this Agreement, and the fees for such services will be negotiated separately and in good faith and will be consistent with fees paid to investment banks in Canada for similar services.

The Services do not include the provision of advice as to the tax or legal aspects of any Transaction; the Company will consult with its own legal and tax advisors in this regard.


## 2. Type of Relationship

- a) It is expressly agreed, represented and understood that Red Cloud and the Company have entered into an arm's length independent contract for the performance of the Services and that Red Cloud is not an employee, agent or servant of the Company. This Agreement will not be deemed to constitute or create any partnership, joint venture, employer/employee, principal/agent or any other relationship, apart from an independent contractor relationship, in which Red Cloud shall provide an independent service for which Red Cloud will be compensated according to the terms and conditions of this Agreement.
- b) The Company has determined that, in connection with the Services or any Transaction for which it is retaining Red Cloud hereunder, it has met, and will comply with, all laws applicable to it, including applicable securities laws.
- c) The manner and means by which Red Cloud performs the Services will be under its sole and exclusive control. Red Cloud will comply with all applicable laws in the course of performing the Services, including applicable securities laws.

## 3. Consideration for Services

For the Services hereunder, the Company agrees to compensate Red Cloud as follows:

- a) **Marketing Fee:** in respect of the Marketing Services during the Initial Term, a fee of approximately \$120,000 shall be payable to RCFS through the delivery of 343,000 common shares of the Company to RCFS within ten (10) business days from the date that the Company executes the Agreement. If both the Company and Red Cloud agrees in writing to continue the Agreement following the Initial Term, then following the Initial Term a fee of \$10,000 per month shall be payable to RCFS in cash within ten (10) business days from the date that Red Cloud submits an invoice to the Company for the Marketing Services for such month.
- b) **Equity Financing Fee:** in the event that an Equity Securities Offering involving an Identified Party is consummated during the term of this Agreement or within a period of 6 months thereafter, the Company will pay to RCS a cash commission that is equal to 7.0% of the gross proceeds raised from the sale of securities under such Equity Securities Offering to an Identified Party (the "Cash Commission"). In addition, the Company shall issue to Red Cloud Mining Capital Inc. (the parent company of Red

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Cloud), RCS or such other affiliate of RCS as RCS shall designate, on the closing date of the Equity Securities Offering involving an Identified Party, warrants of the Company (the "Finder's Warrants") exercisable for a period of 24 months following such closing date, to acquire in aggregate that number of common shares or other securities of the Company sold under such Equity Securities Offering which is equal to 7.0% of the number securities under the Equity Securities Offering sold to the Identified Party at an exercise price equal to the offering price of such securities under the Equity Securities Offering. The Cash Commission shall be payable in full and all Finder's Warrants shall be issued, in each case, concurrently with the completion of the associated Equity Securities Offering. The Cash Commission and Finder's Warrants set out in this paragraph will not apply to the extent that Red Cloud participates as part of a syndicate in a brokered private placement or prospectus offering, and compensation is governed by an agency or underwriting agreement among all participants in such Equity Securities Offering.

- c) **Transaction Fee:** in the event that a Transaction, other than an Equity Securities Offering, involving an Identified Party is consummated during the term of this Agreement or within a period of 6 months thereafter, the Company will pay to RCS a fee (the "Transaction Fee") in respect of such Transaction as set forth in Schedule "C" to this Agreement but, in any event, the Transaction Fee for a Transaction shall not be less than \$75,000 (the "Minimum Transaction Fee").


The Transaction Fee for a Transaction shall be reduced by an amount equal to 25% of the total aggregate Marketing Fee paid by the Company to RCFS prior to the closing of such Transaction (without duplication of the reduction for any Transaction Fee which previously applied to the reduction as contemplated by this paragraph), to a maximum of six (6) months of the Marketing Fee so paid, with such reduction not to exceed 25% of the Transaction Fee otherwise payable for such Transaction without taking into account the reduction contemplated by this paragraph.

The Transaction Fee is payable in cash in full concurrently with the closing of the associated Transaction.

- d) **Expenses:** The Company shall reimburse Red Cloud for all out-of-pocket expenses reasonably and properly incurred by Red Cloud in performing the Services hereunder within fifteen (15) days from the date that Red Cloud submits to the Company a written expense account therefor, together with applicable supporting vouchers and/or receipts, subject to Red Cloud obtaining the Company's prior written approval for any expense(s) which in a one month period, are in aggregate, in excess of \$500.

The Company is also responsible to pay to RCFS the following additional amounts, as applicable:

- All overdue amounts payable by the Company to RCFS hereunder will be subject to interest payable at 1% per month, compounded monthly (12.68% per annum);
- Any marketing day that has been approved by the Company, substantially filled with meetings by RCFS, but subsequently cancelled by the Company, a cancellation fee of

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\$500 per cancelled marketing day plus applicable taxes will be payable by the Company to RCFS; and

- For retail marketing in certain North American city centers, a fee of \$1,250 per day of marketing plus applicable taxes may be payable by the Company to RCFS. For marketing in the United Kingdom and Europe, a fee of \$3,500 per day of marketing plus applicable taxes may be payable by the Company to RCFS. RCFS will notify the Company of any such potential additional fees prior to RCFS booking any meetings in those centers. This fee may be subject to a separate cancellation fee in addition to the cancellation fee noted above.

#### 4. Payment of Applicable Taxes

All or part of the amounts payable under Section 3 hereof may be subject to federal Goods and Services Tax, Harmonized Sales Tax and/or applicable provincial sales tax (collectively, "tax"). Where tax is applicable, an additional amount equal to the amount of tax owing thereon will be charged to the Company.

#### 5. Right to Participate in Future Brokered Equity Offering

The Company shall grant RCS an option to participate as agent or underwriter in any future brokered equity offering (a "Brokered Equity Offering") announced by the Company during the term of this Agreement for maximum participation of 10% in such Brokered Equity Offering, unless the Company, in its sole discretion, agrees to such larger percentage amount for RCS' participation.

#### 6. Limitations on Red Cloud

Red Cloud will not be entitled to engage agents, make any commitments or create any obligations on behalf of the Company without the Company's prior written consent. Red Cloud will make such absence of authority clear to all persons with whom it deals in the course of carrying on business in connection with this Agreement.

#### 7. Indemnification

The Company hereby agrees to indemnify Red Cloud in accordance with Schedule "A" hereto, which Schedule forms part of this Agreement and the consideration for which is the entering into of this Agreement. Such indemnity (the "Indemnity") shall be delivered to us on the execution of this Agreement and shall be in addition to, and not in substitution for, any liability which the Company or any other party may have to us or other parties apart from such Indemnity.

#### 8. Confidentiality

Except as is necessary to perform the Services, neither the Company nor Red Cloud will disclose to any third party (other than the party's legal and tax advisors) the contents of this Agreement without the prior written consent of the other party. The foregoing restriction on disclosure will not apply where the disclosure is required by applicable law or stock exchange rules. Red Cloud may imply that

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it has provided services to the Company by including the Company's logo in Red Cloud's marketing materials.

If the Company plans to issue a press release(s) or other public media that mentions Red Cloud, Red Cloud must have the opportunity to review and approve the press release or public media in writing prior to dissemination. Red Cloud will promptly review such press release or public media, and acting reasonably, provide comments, if any, within 48 hours to allow the Company to meet its public disclosure obligations under applicable law and stock exchange rules.

## 9. Information

The Company will arrange for Red Cloud to have such timely access to the directors, officers, employees, auditors, counsel and other consultants of the Company or any affiliate thereof, and to all information as Red Cloud may reasonably request in carrying out the Services. In addition, the Company will keep Red Cloud fully informed with respect to all negotiations between the Company and Identified Parties regarding a Transaction and will promptly provide Red Cloud with copies of all material documents, drafts or final, relating to a Transaction. The Company agrees to provide, or will arrange to have provided, to Red Cloud such information, including financial forecasts, as it believes appropriate, to permit Red Cloud to perform the Services hereunder, and the Company will provide Red Cloud with any updated information in its possession. The Company represents and warrants that all information concerning the Company, its affiliates and its subsidiaries, to the knowledge of the Company after due inquiry, and all information concerning other entities involved in a Transaction to be provided to Red Cloud, directly or indirectly, orally or in writing, by the Company and its affiliates, subsidiaries, agents and advisors in connection with the engagement of Red Cloud hereunder will be, taken as a whole, accurate and complete in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements are made. The Company agrees that Red Cloud may rely upon such information and is entitled to assume, and is under no obligation to verify independently, the accuracy, completeness or reasonableness of such information. Further, Red Cloud is under no obligation to investigate any changes which may occur in such information after the date upon which it is provided to Red Cloud.

Subject to law or the rules or policies of any securities regulatory authority or stock exchange upon which the securities of the Company, or any affiliate thereof, are listed, the Company will advise Red Cloud promptly of any material fact, event or material change of which it is aware, actual or contemplated, financial or otherwise, relating to: (i) the securities, assets, business or affairs of the Company, or any affiliate thereof; (ii) any change in any material element of any of the information provided to Red Cloud; or (iii) any material intervening event that occurs prior to the completion of Red Cloud's engagement in respect of the Services hereunder or any other material change of which the Company is aware, other than external, political or economic developments which are generally known, that would reasonably be considered relevant to Red Cloud's engagement hereunder. The Company agrees promptly to comply with all applicable laws and requirements of regulatory authorities in respect of the occurrence of such material change or intervening event.

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## 10. Termination

This Agreement will continue for a minimum of twelve (12) months from the date of this Agreement (the "Initial Term"). Prior to expiration of the Initial Term, this Agreement may be terminated by mutual agreement. After the Initial Term, the Parties may agree in writing to extend the term for an agreed upon period. Any renewal term may be terminated by mutual agreement or by the Company or either RCS and RCFS upon one month's written notice to the other party.

Termination or expiration of this Agreement will not:

- i. limit, modify, or otherwise affect the rights of RCS to receive any amounts pursuant to the terms of Section 3 in connection with any Transaction completed by the Company with an Identified Party on or before the expiration of six (6) months following the expiration or termination of this Agreement; or
- ii. release or discharge the Company from any liability that arose or accrued prior to the date of termination or expiration.

Upon termination or expiration of this Agreement, the parties shall have no ongoing liability to one another except as described herein in Sections 3 (as applicable), 5, 7, 8, 10, 12(f) and Schedule "A".

## 11. Notices

Any notice or other communication required or permitted to be given under this Agreement shall be in writing in the English language and shall be sufficiently given or made by delivery or by email (receipt confirmed) to the respective parties as follows:

If to the Company, to:

**Lode Metals Corp.**  
707 – 1030 West Georgia Street  
Vancouver, BC, V6E 2Y3  
Attention: Ken Tullar  
Telephone: 604-628-2669  
Email: ken@lodemetals.com


If to Red Cloud:

**Red Cloud Financial Services Inc./  
Red Cloud Securities Inc.**  
105 King St East, 2<sup>nd</sup> Floor  
Toronto, ON M5C 1G6  
Attention: Mark Styles  
Telephone: 647-293-7177  
Email: mstyles@redcloudsecurities.com

Either party may change its address for service by giving written notice of such change to the other party. Notices, reports, statements or invoices given by service upon a party and any notice given by electronic transmittal will be effective when received.

## 12. General Provisions

- a) In the event that any particular provision or provisions of this Agreement is or are determined to be invalid, illegal or unenforceable in any respect, then the particular provision or provisions will be deemed to be severed from the provisions contained in this Agreement and this

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Agreement will not in any way be affected or impaired, unless as a result of any such determination this Agreement would fail in its essential purpose.

- b) As part of the completion of any Transaction, the Company will obtain all necessary regulatory, stock exchange and other approvals and authorizations, including approval for the issuance and listing of the securities issued or issuable under the Equity Securities Offering, the issuance of the Finder's Warrants and the securities of the Company issuable upon the exercise of the Finder's Warrants.
- c) This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.
- d) Time will be of the essence of this Agreement.
- e) All dollar amounts expressed in this Agreement are in Canadian dollars, unless otherwise specified.
- f) The validity and interpretation of this Agreement and the legal relations of the parties will be governed by and construed in accordance with the laws in force from time to time in the Province of Ontario and the federal laws of Canada.
- g) This Agreement states and comprises the entire Agreement between the parties in connection with the subject matter of this Agreement. There are no representations, warranties, terms, conditions, undertakings or collateral agreements express or implied between the parties other than expressly set forth in this Agreement.
- h) Neither party will assign this Agreement or any part thereof without the prior express written consent of the other party. This Agreement shall not be amended or superseded except by a written instrument signed by both parties.
- i) This Agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile or electronically transmitted form will be deemed to be an original and all of which together will constitute one and the same document.

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Red Cloud welcomes this opportunity to work with the Company. Should you wish to accept this offer, please sign and return one copy of this letter to our attention whereupon this letter shall become a binding agreement.

Yours truly,

**Red Cloud Financial Services Inc.**

Per: \_\_\_\_\_

  
Bruce Tatters  
Chief Executive Officer

The foregoing is in accordance with our understanding and is agreed to by us as of the \_\_\_\_ day of July, 2021.

**Lode Metals Corp.**

Per: \_\_\_\_\_

  
Ken Tullar  
President, Chief Executive Officer and Director

**SCHEDULE "A"**  
**INDEMNITY AGREEMENT**

Lode Metals Corp. (the "Indemnitor") hereby agrees to indemnify and hold both Red Cloud Financial Services Inc. and Red Cloud Securities Inc. ("Red Cloud" shall refer to both Red Cloud Financial Services Inc. and Red Cloud Securities Inc.) and the directors, officers, employees, agents and shareholders of Red Cloud (hereinafter referred to as the "Personnel") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of its counsel that may be incurred in advising with respect to and/or defending any claim that may be made against Red Cloud, to which Red Cloud and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by Red Cloud and its Personnel hereunder or otherwise in connection with the matters referred to in the agreement to which this indemnity is attached, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (i) Red Cloud or its Personnel have been negligent or dishonest, engaged in willful misconduct or have committed any fraudulent act in the course of such performance; and
- (ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, dishonesty or fraud referred to in (i).

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

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or Red Cloud by any governmental body, commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or Red Cloud and any Personnel of Red Cloud shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by Red Cloud, Red Cloud shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs

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[Signature]

(including an amount to reimburse Red Cloud for time spent by its Personnel in connection therewith) and out-of-pocket expenses incurred at competitive rates by its Personnel in connection therewith shall be paid by the Indemnitor as they occur, provided that in no circumstances will the Indemnitor be required to pay the fees and expenses of more than one legal counsel for all of Red Cloud and the Personnel (collectively the "Indemnified Persons"), unless:

- (a) the Indemnitor and Red Cloud have mutually agreed to the retention of more than one legal counsel for the Indemnified Persons; or
- (b) the Indemnified Persons have or any of them has been advised in writing by legal counsel that representation of all of the Indemnified Persons by the same legal counsel would be inappropriate due to actual or potential differing interests between them.

Promptly after receipt of notice of the commencement of any legal proceeding against Red Cloud or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, Red Cloud will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed.

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

**SCHEDULE "B"**  
**LIST OF IDENTIFIED PARTIES**

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**SCHEDULE "C"**  
**TRANSACTION FEES PAYABLE TO RED CLOUD**

**Transaction Fee** (payable in Canadian dollars)

In the event that a Transaction such as an M&A transaction, on terms and at the sole discretion of the Company, other than an Equity Securities Offering, involving an Identified Party (as agreed by the Company) is consummated during the term of this Agreement or within a period of 6 months thereafter, the Company will pay to RCS a Transaction Fee equal to the greater of the following:

- the Minimum Transaction Fee (\$75,000); and
- The product of each Transaction Fee Percentage listed in Table 1 below and each portion the Transaction Value (defined hereunder) contained within the total Transaction Value for such Transaction.

**Table 1: Transaction Fee Percentage at Various Transaction Values**

Portion of Transaction Value	Transaction Fee Percentage
Equal to or less than \$2,000,000	5.0%
\$2,000,001 - \$5,000,000	4.5%
\$5,000,001 - \$10,000,000	4.0%
\$10,000,001 - \$25,000,000	3.0%
\$25,000,001 - \$50,000,000	2.0%
\$50,000,001 or greater	1.5%

**"Transaction Value"** means the total cash and non-cash proceeds and other consideration paid or to be paid in the future or received or to be received in the future directly or indirectly by the Company pursuant to the Transaction, including contingent consideration, wherein any non-cash proceeds shall be valued based upon the stated non-cash proceeds' pricing or, if such non-cash proceeds are traded on a public market, valued using the volume weighted daily average market price for those securities for the five trading days preceding the day the Transaction is consummated, or otherwise by industry standard valuation methods.

For clarity, the following examples illustrate the Transaction Fee payable to RCS for a Transaction at various Transaction Values and excludes any reduction for Marketing Fees paid to RCFS over the six months prior to the completion of such Transaction.

**Table 2: Example of Sliding Scale Consideration of the Transaction Value**

Transaction Value	Transaction Fee Payable to Red Cloud
\$1,000,000	\$75,000
\$10,000,000	\$435,000
\$100,000,000	\$2,135,000

1 Minimum Transaction Fee

2  $(2,000,000 \times 5.0\%) + (3,000,000 \times 4.5\%) + (5,000,000 \times 4.0\%)$

3  $(2,000,000 \times 5.0\%) + (3,000,000 \times 4.5\%) + (5,000,000 \times 4.0\%) + (15,000,000 \times 3.0\%) + (25,000,000 \times 2.0\%) + (50,000,000 \times 1.5\%)$

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