



**Malaspina Consultants Inc.**

WHAT YOU NEED. WHEN YOU NEED IT.

February 11, 2021

Mr. Gunther Roehlig  
Director  
JKS Resources Inc.  
200 - 550 Denman Street  
Vancouver, BC V6G 3H1

Dear Gunther:

**Re: Accounting and Related Services**

Pursuant to the rules and regulations of the Chartered Professional Accountants of British Columbia (the "CPABC"), Malaspina Consultants Inc. ("Malaspina"), a member firm of the CPABC, is required to enter into engagement agreements annually with clients with respect to the services it will provide to them and the terms and conditions of such services.

Accordingly, we forward this engagement letter with respect to the services to be provided to JKS Resources Inc. by Malaspina for the year commencing January 1, 2021.

If you are in agreement with the proposal contained in the accompanying Term Sheet please so indicate by signing and returning a copy of this letter to the undersigned.

Yours truly,  
**Malaspina Consultants Inc.**

*"Natasha Tsai"*

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Natasha Tsai, CPA, CA  
Managing Director

**JKS Resources Inc.**

*"Gunther Roehlig"*

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*Gunther Roehlig*  
Director

Dated: *4/3/2021*



## **TERM SHEET**

Contained herein are the terms and conditions of an agreement between JKS Resources Inc. (“JKS” or the “Company”) and Malaspina Consultants Inc. (“Malaspina”) with respect to the provision by Malaspina of certain accounting and administrative consulting services to JKS.

### 1. Services:

Malaspina’s services to consist of the following:

- preparation, posting and retention of all accounting records including accounts payable vouchers, banking records and bank account reconciliations, journal entries, GST filings, etc. and any correspondence related to the above or the Company’s affairs in general;
- preparation of payroll records and filings if and as required;
- preparation of various account analysis as necessary or requested to be used in the preparation of JKS’s financial statements;
- preparation of quarterly interim unaudited financial statements together with an initial draft of the accompanying Management Discussion and Analysis;
- preparation of annual year end audit working papers for use by external auditors;
- preparation of initial draft of audited financial statements and accompanying notes;
- preparation of initial draft of annual Management Discussion and Analysis;
- co-ordination of corporate tax return filings with third party tax service provider, if and as requested by the Company;
- provision of corporate secretarial services if and as required;
- preparation of cash flow forecasts, annual budgets and other financial analyses as requested;
- provision of oversight of the accounting and finance function, including signing off on financial statements, completing and authorizing payments, and managing the Company’s cash position;
- be responsible for financial internal controls of the Company; and
- such other tasks as requested by senior management of JKS from time to time.

Malaspina to provide the services of Natasha Tsai, CPA, CA, Senior Consultant and Alex Verhoeven, CPA, Controller and David Hurley, Staff Accountant with respect to fulfilling these service requirements. Although it is expected that the aforementioned personnel will primarily provide services to JKS it may be necessary from time to time for Malaspina to provide the services of other staff members.



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Further, Natasha Tsai, CPA, CA, Senior Consultant, has consented to serve as CFO of JKS while this agreement is in effect. It is explicitly understood by JKS that the services of Malaspina's staff are not being provided on an exclusive basis to JKS.

The Company agrees to provide Malaspina and/or Malaspina's employees with all information necessary in order for Malaspina's employees to perform the services contemplated in this agreement. JKS agrees to hold Malaspina and Malaspina's employees harmless for any losses incurred by the Company arising from work performed by Malaspina's employees where such loss arose as a result of providing incomplete, inaccurate or misrepresented information to Malaspina or Malaspina's employees in the performance of the services contemplated in this agreement. Further, Malaspina will not be responsible for the creation or implementation of payment controls or rules implemented by financial institutions with which JKS transacts.

### 2. Fees:

Fees for services are due and payable upon rendering of an invoice by Malaspina.

Fees to be invoiced monthly in arrears based on the following hourly standard rates for time incurred in the provision of services as contemplated by this Term Sheet:

<b>Position</b>	<b>Rate/Hour \$</b>
Senior Consultants	160 – 220
Consultants	95 – 125
Senior Accountants	65 – 87
Staff Accountants	47 – 65

Fees are quoted in Canadian dollars, are exclusive of GST and out of pocket expenses, and contemplate that the Company will continue at its current corporate activity levels.

The quoted fees will be valid until **December 31, 2021** and subject to adjustment effective **January 1, 2022**. A revised fee schedule will be forwarded to you for approval at the beginning of each year.

We are happy to discuss with you the provision of other services outside the scope of this agreement, should the need arise. We will separately agree with you applicable fees for such other services at that time.

### 3. Other Office Expenses:

- Mail charges will be invoiced monthly based on usage of postage meter at cost.
- Courier and all other general office expenses will be directly charged to JKS at cost.



- Photocopies will be collected by a unique identifier number on Malaspina's photocopy machine and charged at \$0.09 per regular copy and \$0.12 per colour copy. The unit rate is subject to change pending the overall usage of the machine as compared to monthly fixed operating costs.
- Accounting, payroll and payment processing software costs will be charged at a flat monthly fee of \$50 per entity and/or service activated.

4. Contract Commencement, Cessation and Termination:

The contract period shall commence effective January 1, 2021, or such other date as mutually agreed to by Malaspina and JKS, and may be cancelled by either party giving 60 days written notice to the counter party.

Malaspina reserves the right to cease providing services to JKS should our account with JKS remain unpaid for three months and/ or the balance of our unpaid account represents three months of billings. The decision to cease provision of services for unpaid accounts shall be at the sole discretion of Malaspina with resumption of services to recommence on payment of the account and/or as agreed between Malaspina and JKS. Should Malaspina choose to cease provision of services Malaspina will be entitled to collect all amounts outstanding on account and any amounts incurred but unbilled by Malaspina to the point of cessation of provision of services. For clarity, the cessation of provision of services does not automatically terminate this agreement.

5. Grant of Options:

In the event that JKS grants stock options to its management and directors, in consideration for the services being provided by Malaspina and for Natasha Tsai, CPA, CA, Senior Consultant serving as CFO, it is agreed by JKS that Malaspina will be granted stock options commensurate with Malaspina's contribution to JKS's business plan.

Such options will be granted as permitted by the policies of the applicable stock exchange.

6. Disclosure, Use and Retention of Confidential Information

Malaspina acknowledges that it and its staff will have access to confidential information including, but not limited to, technical, market and operating data, price sensitive and commercial in-confidence data, documents or other information provided to Malaspina by JKS, or its senior officers and directors, or acquired by Malaspina in the course of carrying out its services to JKS (collectively "the Confidential Information").

Malaspina undertakes to hold the Confidential Information in strictest confidence and accordingly must not disclose any of the Confidential Information to any other person other than if and as requested by senior management of the companies in the Group or unless



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compelled by judicial or administrative process or required by law or any government authority, or stock exchange requirement to disclose any of the Confidential Information.

Malaspina undertakes not to use the Confidential Information for any purpose other than to assist in completing the services contracted pursuant to this agreement.

As part of Malaspina's compliance with the obligations of confidentiality, use and non-disclosure set out in this agreement, it and its staff must exercise all reasonable efforts to prevent unauthorized third parties from gaining access to Confidential Information.

Malaspina will retain copies of financial records pertaining to a fiscal period/year for a period of seven (7) years. Such copies may be in hard copy or soft copy format, solely at Malaspina's choosing. Subsequent to the expiry of a seven-year period, unless expressly requested by you in advance, we will delete the applicable financial records relating to the fiscal period/year for which the seven-year period has elapsed. The cost of retention and/or provision to you of the copies maintained by Malaspina of the applicable financial data will be borne by you. Malaspina reserves the right to apply a charge for the storage, whether physical or electronic, of copies of the financial maintained during the seven year period, and prior to deletion of the data.

7. Other Services:

Malaspina owns and operates SEDAR filing software and makes available SEDAR filing services to our clients. If you wish our price list for such services, please indicate so and we will be happy to provide the same to you.

In addition, our staff members are familiar with SEDI filings for Company insiders and we are happy to assist with this process. A price list is also available for this service.

8. Limitation of Liability:

The total aggregate liability of Malaspina, its principals, employees and agents for all claims, whether made in contract, tort or otherwise, arising from or relating to the performance or non-performance of the services contemplated by this letter agreement shall be limited to \$250,000.

The Company agrees that no proceedings will be brought against Malaspina's employees in any court of any jurisdiction advancing any claim.

The Company agrees that our liability for all claims you may have or bring in connection with the professional services rendered arising out of or ancillary to this agreement shall absolutely cease to exist after a period of four years from the date of:



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- (1) performance of this engagement;
- (2) suspension or abandonment of this engagement; or
- (3) termination of our services pursuant to this agreement,

whichever shall occur first, regardless of whether you were aware of the potential for making a claim against us within that period. Following the expiration of the aforesaid period, the Company agrees that neither the Company, the Company's agents or assignees shall make any claim or bring any proceeding against us.

#### 9. Governing Legislation

This engagement letter is subject to and governed by the laws of the Province of British Columbia. The courts of the Province of British Columbia will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. The Company and Malaspina irrevocably waive any right either may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.