

HOPE WELL CAPITAL CORP.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO THE

ANNUAL AND SPECIAL MEETING

OF

SHAREHOLDERS

TO BE HELD ON JULY 31, 2020

June 26, 2020

HOPE WELL CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the “**Meeting**”) of the shareholders of Hope Well Capital Corp. (the “**Corporation**” or “**HWCC**”) will be held at the offices of Regus CA, 130 King Street West, Suite 1808, Toronto, Ontario M5X 1E3 on Friday, July 31, 2020 at 11 a.m. (Toronto time) for the following purposes:

1. To receive the financial statements of the Corporation for the fiscal periods ending January 31, 2020 together with the report of the auditors thereon;
2. To elect directors of the Corporation;
3. To appoint auditors;
4. To consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to confirm and ratify the Corporation's stock option plan and unallocated stock options, as disclosed in the accompanying management information circular (the “**Information Circular**”); and
5. To transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual and special meeting. Additional information about the Corporation and its financial statements are also available on the Corporation's profile on SEDAR at www.sedar.com.

SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON SHOULD COMPLETE, DATE AND SIGN THE ENCLOSED INSTRUMENT OF PROXY, AND TO RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.

Proxies to be used at the Meeting must be deposited with TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1, Attention: Proxy Department, before 11:00 a.m. (Toronto time) on July 29, 2020, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned meeting.

By Order of the Board

“Bill Hong Ye”

Bill Hong Ye
President, CEO & CFO

Toronto, Ontario
June 26, 2020

HOPE WELL CAPITAL CORP.

MANAGEMENT INFORMATION CIRCULAR

GENERAL INFORMATION RESPECTING THE MEETING

SOLICITATION OF PROXIES

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by the management of Hope Well Capital Corp. (the “Corporation” or “HWCC”) for use at the annual and special meeting (the “Meeting”) of the shareholders of HWCC to be held on the 31st day of July, 2020 at 11:00 a.m. (Toronto time) at the offices of Regus CA, 130 King Street West, Suite 1808, Toronto, Ontario M5X 1E3, and at any adjournment(s) thereof, for the purposes set forth in the accompanying notice of meeting (the “Notice of Meeting”).

Instruments of proxy for HWCC must be received by TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1, Attention: Proxy Department, not less than 48 hours, excluding Saturdays, Sundays and holidays, before the time set for the holding of the Meeting or any adjournment(s) thereof.

The board of directors of HWCC have fixed the record date for the Meeting at the close of business on June 1, 2020 (the “**Record Date**”). Shareholders of HWCC of record as at the Record Date are entitled to receive the Notice of the Meeting and to vote those HWCC shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date.

The instruments of proxy must be in writing and must be executed by the shareholder or such shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed instruments of proxy are directors or officers of HWCC. Each shareholder has the right to appoint a proxyholder other than the persons designated in the applicable instrument of proxy furnished by HWCC, who need not be a shareholder, to attend and act for such shareholder and on such shareholder's behalf at the Meeting. To exercise such right, the names of the persons designated by management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

REVOCABILITY OF PROXY

A shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or such shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited at the registered office of HWCC, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof prior to voting, and upon either of such deposits, the proxy is revoked.

PERSONS MAKING THE SOLICITATION

The solicitation is made on behalf of the management of HWCC. The cost of solicitation by management of HWCC will be borne by HWCC. As well, proxies will be solicited by mail and may also be solicited personally or by telephone by the directors or officers of HWCC, who will not be specifically remunerated therefor.

HWCC may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting securities of HWCC (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the Notice of Meeting and instrument of proxy to the beneficial owners of such securities. HWCC will provide, without cost to such persons, upon request to HWCC, additional copies of the foregoing documents required for this purpose.

EXERCISE OF DISCRETION BY PROXY

The common shares represented by the instrument of proxy enclosed with the Notice of Meeting and this Information Circular will be voted in accordance with the instructions of the shareholder, **but if no specification is made, the shares will be voted in favour of the matters set forth in the proxy. If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Information Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the shareholder's nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting.** At the date of this Information Circular, management of HWCC knows of no such amendments or variations or other matters to come before the Meeting.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many public shareholders of HWCC, as a substantial number of the public shareholders of HWCC do not hold shares in their own names. Shareholders who do not hold their shares in their own names (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of the shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically applies a decal to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial

Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy with a Broadridge decal on it cannot use that proxy to vote common shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.

Since only registered shareholders or their proxyholders can attend the Meeting, a Beneficial Shareholder can only attend at the Meeting and to vote at the Meeting if the Beneficial Shareholder's nominee has appointed the Beneficial Shareholder as proxyholder. Therefore, a Beneficial Shareholder who wishes to vote in person at the Meeting must insert its own name in the space provided on the voting instruction form sent to the Beneficial Shareholder by its nominee, and sign and return the voting instruction form by following the signing and returning instructions provided by its nominee. By doing so, the Beneficial Shareholder will be instructing its nominee to appoint the Beneficial Shareholder as proxyholder. The Beneficial Shareholder should not otherwise complete the voting instruction form as its vote will be taken at the Meeting.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Corporation is authorized to issue an unlimited number of common shares. As of June 1, 2020, there were 7,724,999 HWCC common shares issued and outstanding (such common shares as they are constituted as at the date hereof, the “**common shares**”), with each common share entitled to one vote on any ballot at the Meeting for those items to be considered by shareholders.

A quorum will be present at the Meeting if there are at least two persons present holding in excess of 5% of HWCC's outstanding common shares, each of whom is either a shareholder entitled to attend and vote at the Meeting or the proxyholder of a shareholder appointed by means of a valid proxy, holding or representing by proxy.

To the knowledge of the directors and senior officers of HWCC, no person or company beneficially owns, directly or indirectly, or exercise control or direction over, 10% or more of any class of voting securities of HWCC.

MATTERS TO BE ACTED UPON AT THE MEETING

FINANCIAL STATEMENTS

The shareholders will receive and consider the audited consolidated financial statements of the Corporation for the fiscal year ended January 31, 2020 together with the auditor's report thereon.

ELECTION OF DIRECTORS

The HWCC board of directors is a variable board consisting of not fewer than one and not more than 10 directors. Shareholders of the Corporation have authorized the board of directors to fix the number of the board subject to the requirements of the *Business Corporations Act* (Ontario). The board has determined that the number of directors constituting the board is set at four. Accordingly, shareholders will be asked to elect four directors at the Meeting.

At the Meeting, shareholders are required to elect the directors of the Corporation to hold office until the close of the next annual meeting of shareholders or until their successors are elected or appointed.

The following information relates to the election of directors of the Corporation and to the persons proposed to be nominated for election as directors to hold office until the earlier of: (i) the next annual

meeting of shareholders; and (ii) his/her successor being elected or appointed. Management proposes that each of the persons named below be nominated at the Meeting for re-election, as directors of the Corporation until the time specified in the preceding sentence. **Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth below, unless a shareholder has specified in his proxy that his shares are to be withheld from voting on the election of directors.**

Name, Municipality of Residence and Position with HWCC	Director or Officer Since	Principal Occupation	Number of Common Shares Owned	Number of Options Held
Bill Hong Ye⁽²⁾ <i>Toronto, Ontario, Canada</i> President, Chief Executive Officer, Chief Financial Officer, Director	December 1, 2016	CEO of Nine Fortune Assets Co.	375,000	270,375
Sheldon Kales⁽²⁾⁽³⁾ <i>Toronto, Ontario, Canada</i> Director	January 5, 2017	CEO of PredictMedix Inc.	600,000	251,062
Peiwei Ni⁽²⁾ <i>Toronto, Ontario, Canada</i> Director	January 5, 2017	President of Wideford Inc.	100,000	251,062
Judith Hong Wilkin <i>Toronto, Ontario, Canada</i> Director and Secretary ⁽³⁾	August 9, 2019	Principal Lawyer at Hong Wilkin Business Law Professional Corporation	Nil	Nil

Notes:

- (1) Member of the Audit Committee of HWCC.
- (2) Chairman of the Audit Committee
- (3) Ms. Wilkin was appointed as Secretary of the Corporation replacing Mr. Bill Hong Ye as Secretary on May 19, 2020.

Set forth below is a description of the principal occupation of each of the directors during the past five years.

Bill Hong Ye, President, CEO, CFO and Director

Mr. Bill Hong Ye is an experienced investment professional and an acclaimed professor in finance and economics in Toronto and China. Mr. Ye is founder of tFOSE holding co. and Coin Creatour Inc. from 2018. Mr. Ye has been the CEO of Nine Fortune Assets Co. Ltd., a Toronto based investment firm, since 2011. He has a bachelor's degree from the Zhejiang University, China, and is the Chair professor on derivative exchanges in the Southwestern University of Finance and Economics (SWUFE).

Sheldon Kales, Director

Mr. Sheldon Kales has been the CEO and director of PredictMedix Inc., a public company trading on the CSE, since December, 2019. Mr. Kales has also been the CEO of Chester Gold Corp., a private mining

exploration company in northern Ontario, since 2014. Mr. Kales was the founder, CEO and a director of Security Devices International Inc., a public company quoted on OTCBB in the United States from 2005 to 2010. He also acted as the President of Yangtze Telecom Corp. (TSXV) from September 1998 to July 2003 and a director of this company from February 1998 to February 2004. Mr. Kales is a graduate of University of Toronto with a Bachelor of Arts degree.

Peiwei Ni, Director

Mr. Ni has been the President of Wideford Inc, a company specializing in advising China based companies doing business in Canada, since 2004. Since 2006, Mr. Ni was a director of Migao Corporation, a China based specialty potash fertilizer company previously listed on the TSX until September 2016. In May 2016, Mr. Ni served on the board of MillenMin Ventures Inc (TSXV), an exploration stage company engaged in acquisition, exploration and development of mineral properties until October 2017. Previously from October 2007 to January 2010, Mr. Ni also served on the board of Active Control Technologies Inc., a company listed on the TSXV until Aug. 2014. Mr. Ni received his Master of Education degree from the University of Victoria, BC and a BComm degree from the University of International Business and Economics in Beijing, China.

Judith Hong Wilkin, Director and Secretary

Ms. Judith Hong Wilkin was appointed as Secretary of the Corporation, replacing Mr. Bill Hong Ye as Secretary on May 19, 2020. Ms. Wilkin currently is the principal lawyer at Hong Wilkin Business Law Professional Corporation, a law office she founded in 2019. Previously, she was a partner practicing corporate and securities law at Fogler, Rubinoff LLP, from 2002 to 2019, except during January to May 2006 when she was a lawyer at Freshfields Bruckhaus Deringer at its Hong Kong office. For the past 20 years, Ms. Wilkin has practised in the areas of securities and corporate/commercial law. Ms. Wilkin holds a Master of Laws degree from York University, a Bachelor of Laws degree from the University of Ottawa, a Bachelor of Arts degree from Lakehead University and a Bachelor of Education (Honours) degree from Southwest China University.

CEASE TRADE ORDERS, BANKRUPTCIES AND PENALTIES

No individual who is currently a director or a proposed director of the Corporation is as at the date of this Information Circular, or has been, within the 10 years prior to the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) was the subject of a cease trade or similar order, or an order that denied the other company access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days that was issued while the proposed director was acting as director, chief executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order, or an order that denied the other company access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No individual who is currently a director or a proposed director of the Corporation is, or has been within the past 10 years before the date of this Information Circular, a director or executive officer of any other issuer that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or

insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No individual who is currently a director or a proposed director of the Corporation has, within the past 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No individual who is currently a director of or a proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder in deciding whether to vote for the proposed director.

APPOINTMENT OF AUDITORS

The Corporation's auditors, MNP LLP, were appointed by the Corporation in January 2017.

Shares represented by proxies in favour of the management nominees will be voted in favour of the re-appointment of MNP LLP as auditors of the Corporation and authorizing the directors of the Corporation to fix their remuneration, unless a shareholder has specified in his proxy that his shares are to be withheld from voting on the appointment of auditors.

CONFIRMATION OF STOCK OPTION PLAN

The board of directors of the Corporation approved a stock option plan of the Corporation (the “**Stock Option Plan**”) on February 17, 2017. As at June 1, 2020, the total number of common shares reserved under the Stock Option Plan was 772,500, and there were 772,499 options outstanding to buy common shares, representing 10% of the total common shares outstanding.

Summary of Terms of the Stock Option Plan

The Stock Option Plan provides that the board of directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, options to purchase common shares. The Stock Option Plan provides that options may be granted to purchase a number of common shares equal to a maximum of 10% of the common shares issued and outstanding from time to time. As the number of issued and outstanding common shares increases or decreases, the number of options available to be granted proportionately adjusts. The CPC Policy provides that the number of common shares reserved for issuance may not exceed 10% of the common shares outstanding as at the closing of the initial public offering of the Corporation (the “**IPO**”). Accordingly, the maximum number of common shares reserved under the Stock Option Plan is currently 772,500 common shares. At such time as the Corporation completes its Qualifying Transaction, the Stock Option Plan will revert to a 10% rolling plan which will allow the Corporation to reserve that number of common shares that does not exceed 10% of the issued and outstanding common shares at any given time.

Option grants are subject to the following limitations: (i) the number of common shares that may be reserved for issuance to any one person under options shall not exceed five percent (5%) of the outstanding common shares (or two percent (2%) of the issued and outstanding common shares in the case of an optionee who is a consultant or who is engaged to provide investor relations activities); (ii) the

number of common shares issuable to insiders, at any time, under all security based compensation arrangements, shall not exceed ten percent (10%) of the issued and outstanding common shares; and (iii) the number of common shares issued to insiders, within any one year period, under all security based compensation arrangements, shall not exceed ten percent (10%) of the issued and outstanding common shares.

Pursuant to the Stock Option Plan, the options vest at a vesting schedule as determined by the board of directors. The board of directors determines the price per common share and the number of common shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the TSXV or such other stock exchange on which the common shares are the listed (the “**Exchange**”). The price per common share set by the board of directors shall not be less than the price of the common shares permitted under the rules and policies of the Exchange.

Options may be exercisable for up to five years from the date of grant, but the board of directors has the discretion to grant options which are exercisable for a different period of up to 10 years if permitted under the applicable rules and policies of the Exchange.

Options under the Stock Option Plan are non-assignable except to the legal personal representative of a deceased optionee.

Options granted after the completion of the Qualifying Transaction must be exercised within 90 days of termination of employment or cessation of position with the Corporation (or 30 days for any optionee engaged in investor relation activities), provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the option must be exercised within 12 months, unless expired earlier.

Options granted prior to the completion of the Qualifying Transaction to any optionee who does not continue as a director, officer, consultant or employee after the completion of the Qualifying Transaction will expire on the date that is the later of (i) 12 months after the completion of a Qualifying Transition and (ii) 90 days after the optionee ceases to be a director, officer, consultant or employee.

Subject to the exceptions set out in the Stock Option Plan, the board of directors, or a committee thereof, may at any time or from time to time, in its sole discretion amend, suspend or discontinue the Stock Option Plan at any time without shareholder approval, provided that no such amendment shall be made without the approval of the Exchange, and no such amendment shall be made if it alters or impairs any option previously granted to an optionee under the Stock Option Plan unless with the consent of the optionee.

The full text of the Share Option Plan is attached as Schedule “A” to the Corporation’s information circular dated May 28, 2018 for the Corporation’s shareholders meeting held on June 28, 2018 available un SEDAR.com under the Corporation’s profile. The summary of the Stock Option Plan set forth above is subject to and qualified in its entirety by the provisions of such plan.

Notwithstanding the terms of the Stock Option Plan described above, the CPC Policy imposes certain restrictions on incentive stock options during the period that the Corporation remains a CPC. Such restrictions shall remain in place until the TSXV issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC). Under the CPC Policy, the Corporation, while it remains a CPC, is limited to granting incentive stock options to only directors, officers and technical consultants of the Corporation. In addition, the total number of common shares reserved under option for issuance pursuant to the Stock Option Plan may not exceed 10% of the common shares to be outstanding at the closing of the IPO. The maximum number of common shares reserved

under option for issuance to any individual officer or director may not exceed 5% of the issued and outstanding common shares to be outstanding at the closing of the IPO. The maximum number of common shares reserved under option for issuance to all technical consultants may not exceed 2% of the issued and outstanding common shares to be outstanding after the closing of the IPO. In addition, while the Corporation is a CPC, it is prohibited from granting incentive stock options to any person providing investor relations activities, promotional or market making services. The exercise price per common shares under any incentive stock option granted by the Corporation while it is a CPC may not be less than the greater of \$0.20 and the Discounted Market Price (as defined under TSXV policies). Any common shares acquired pursuant to the exercise of incentive stock options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

Shareholder Approval

At the Meeting, shareholders will be asked to vote for the confirmation and ratification of the Corporation's Stock Option Plan and unallocated options under the Stock Option Plan. The resolution respecting the confirmation and ratification of the Stock Option Plan and the approval of all unallocated Options (the “**Option Plan Resolution**”) must be approved by a majority of the votes cast by the holders of the common shares present or represented by proxy at the Meeting.

The text of the Option Plan Resolution is as follows:

“IT IS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the stock option plan of the Corporation (the “**Stock Option Plan**”) adopted by the board of directors of the Corporation as of February 17, 2017 as described in, and attached to, the management information circular for the annual and special shareholders meeting held on June 28, 2018, is hereby ratified, confirmed and approved;
2. all unallocated options under the Stock Option Plan be hereby approved; and
3. any one director or officer of the Corporation is authorized and directed on behalf of the Corporation to execute all 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 the foregoing provisions of this resolution.”

If the Option Plan Resolution is not approved at the Meeting, the Stock Option Plan will cease to be effective.

The board of directors of HWCC recommends that shareholders vote **FOR** the approval of the Stock Option Resolution. **Common shares represented by proxies in favour of the management nominees will be voted in favour of the Stock Option Resolution, unless a shareholder has specified in his proxy that his or her common shares are to be voted against the Stock Option Resolution.**

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), National Instrument 41-101 – *General Prospectus Requirements and Related Amendments* (“**NI 41-101**”) and Form 52-110F2 require HWCC, as a venture issuer, to disclose certain information relating to HWCC's audit committee and its relationship with HWCC's independent auditors.

Audit Committee Charter

The full text of the charter of the Corporation's Audit Committee is attached hereto as Schedule "B".

Composition of the Audit Committee

The members of HWCC's audit committee are:

Bill Hong Ye	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
Sheldon Kales (chair)	Independent ⁽³⁾	Financially literate ⁽²⁾
Peiwei Ni	Independent ⁽³⁾	Financially literate ⁽²⁾

Notes:

- (1) Mr. Ye is not independent due to his position as President, CEO, CFO and Secretary of HWCC.
- (2) An individual is considered to be financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by a corporation's financial statements.
- (3) A member of an audit committee is considered to be independent if the member has no direct or indirect material relationship with the corporation that could, in the view of the HWCC board of directors, reasonably interfere with the exercise of a member's independent judgement.

Each member of the HWCC's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by HWCC to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by HWCC's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Relevant Education and Experience

The following are details regarding the relevant education and experience of each member of the Audit Committee relevant to the performance of his/her duties as a member of the Audit Committee:

Bill Hong Ye

Mr. Bill Hong Ye is an experienced investment professional and an acclaimed professor in finance and economics in Toronto and China. Mr. Ye is founder of tFOSE holding co. and Coin Creatour Inc. from 2018. Mr. Ye has been the CEO of Nine Fortune Assets Co. Ltd., a Toronto based investment firm, since 2011. He has a bachelor's degree from the Zhejiang University, China, and is the Chair professor on derivative exchanges in the Southwestern University of Finance and Economics (SWUFE).

Sheldon Kales

Mr. Sheldon Kales has been the CEO and director of PredictMedix Inc., a public company trading on the CSE, since December, 2019. Mr. Kales has also been the CEO of Chester Gold Corp., a private mining exploration company in northern Ontario, since 2014. Mr. Kales was the founder, CEO and a director of Security Devices International Inc., a public company quoted on OTCBB in the United States from 2005 to 2010. He also acted as the President of Yangtze Telecom Corp. (TSXV) from September 1998 to July 2003 and a director of this company from February 1998 to February 2004. Mr. Kales is a graduate of University of Toronto with a Bachelor of Arts degree.

Peiwei Ni

Mr. Ni has been the President of Wideford Inc, a company specializing in advising China based companies doing business in Canada, since 2004. Since 2006, Mr. Ni was a director of Migao Corporation, a China based specialty potash fertilizer company previously listed on the TSX until September 2016. In May 2016, Mr. Ni served on the board of MillenMin Ventures Inc (TSXV), an exploration stage company engaged in acquisition, exploration and development of mineral properties until October 2017. Previously from October 2007 to January 2010, Mr. Ni also served on the board of Active Control Technologies Inc., a company listed on the TSXV until Aug. 2014. Mr. Ni received his Master of Education degree from the University of Victoria, BC and a BComm degree from the University of International Business and Economics in Beijing, China.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the HWCC's most recently completed financial year has HWCC relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The current audit committee has not adopted specific policies and procedures for the engagement of non-audit services. The audit committee reviews the engagement of non-audit services as required.

External Auditor Service Fees (By Category)

The aggregate fees billed by the HWCC's external auditors during the financial years ended January 31, 2020 and 2019 were as follows:

Financial Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
January 31, 2020	\$8,800	Nil	Nil	Nil
January 31, 2019	\$9,500	Nil	\$6,500	Nil

Exemption

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

CORPORATE GOVERNANCE

General

The HWCC board of directors believes that good corporate governance improves corporate performance and benefits all shareholders. *National Policy 58-201 – Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as HWCC. In addition, *National Instrument 58-101 - Disclosure of Corporate Governance Practices (“NI 58-101”)* prescribes certain disclosure by HWCC of its corporate governance practices. This disclosure is presented below.

Board of Directors

The HWCC board of directors facilitates its exercise of independent supervision over HWCC's management through frequent meetings of the HWCC board of directors. The HWCC board of directors is comprised of three (3) directors, of whom each of Sheldon Kales and Peiwei Ni are independent for the purposes of NI 58-101. Bill Hong Ye is not independent as Mr. Ye serves as President, CEO, CFO and Secretary of HWCC.

Directorships

The following table sets forth the directors of the Corporation who currently hold directorships with other reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market
Sheldon Kales	PredictMedix Inc.	CSE

Orientation and Continuing Education

New HWCC board of directors members receive an orientation package which includes reports on operations and results, and public disclosure filings by HWCC. In addition, management of HWCC makes itself available for discussion with all HWCC board of directors members.

Ethical Business Conduct

The HWCC board of directors has found that the fiduciary duties placed on individual directors by HWCC'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 HWCC board of directors in which the director has an interest have been sufficient to ensure that the HWCC board of directors operates independently of management and in the best interests of HWCC.

Nomination of Directors

The HWCC board of directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the board's duties effectively and to maintain a diversity of view and experience. The HWCC board of directors does not have a nominating committee, and these functions are currently performed by the HWCC board of directors as a whole. However, if there is a change in the number of directors required by HWCC, this policy will be reviewed.

Compensation

The HWCC board of directors is responsible for determining compensation for the directors and officers of HWCC to ensure it reflects the responsibilities and risks of being a director or officer, as applicable, of a public company.

Other Board Committees

The HWCC board of directors has no other committees, other than the Audit Committee.

Assessments

Due to the minimal size of HWCC's board of directors, no formal policy has been established to monitor the effectiveness of the directors, the HWCC board of directors and its committees.

EXECUTIVE COMPENSATION

For the purpose of this Information Circular:

“**CEO**” means each individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” means each individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year; and

“**Named Executive Officer**” or “**NEO**” means: (a) a CEO; (b) a CFO; (c) the Corporation's most highly compensated executive officers, including any of the Corporation's subsidiaries, or the most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V Statement of Executive Compensation – Venture Issuers, 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 Corporation, nor acting in a similar capacity at the end of the most recently completed financial year.

During the financial years ended January 31, 2020, the Corporation had one Named Executive Officer: Bill Hong Ye, President, CEO, CFO and Secretary.

Oversight and Description of Director and Named Executive Officer Compensation

HWCC has not yet completed a Qualifying Transaction pursuant to the CPC Policy. Accordingly, the executive officers and directors of HWCC were not paid any compensation during the financial year from December 1 2016 (date of incorporation) to January 31, 2017, or the financial year ended January 31, 2018 (other than a grant of incentive stock options), or the financial years ended January 31, 2019 and

2020, as the CPC Policy prohibits directors and officers from receiving remuneration while HWCC is a capital pool company.

Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation – Venture Issuers) sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the two most recently completed financial years ended January 31, 2020 and 2019, excluding compensation securities.

Table of compensation excluding compensation securities							
Name and position	Year ended January 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bill Hong Ye President, CEO, CFO and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Sheldon Kales Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Peiwei Ni Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Judith Hong Wilkin Director and Secretary	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

No options were granted during the financial year ended January 31, 2020.

Exercise of Compensation Securities by Directors and Officers

No director or officer of HWCC has exercised any compensation securities during the financial year ended January 31, 2020.

STOCK OPTION PLAN

The board of directors of the Corporation approved the Stock Option Plan of the Corporation on February 17, 2017. The Stock Option Plan originally received approval from HWCC's directors on February 17, 2017. Initial shareholder approval of the Stock Option Plan was not required as HWCC adopted the plan prior to completing its IPO and disclosed the details of the Stock Option Plan in its IPO final prospectus, dated March 24, 2017. Nonetheless, in accordance with TSXV rules, HWCC shareholders confirmed and ratified the Stock Option Plan at the shareholders meeting held on June 28, 2018.

For a summary of the material terms of the Stock Option Plan, please see “*Matters to be Acted Upon at the Meeting – Confirmation of Stock Option Plan.*”

As at June 1, 2020, HWCC had stock options outstanding to purchase a total of 772,499 common shares under the Stock Option Plan, all of which were granted to directors and executive officers. All of the stock options vested immediately upon their grant date, and 502,125 options are exercisable at a price of

\$0.20 per common share until May 3, 2022, and 270,374 options are exercisable at a price of \$0.21 per common share until November 6, 2022.

In accordance with the terms of the Stock Option Plan, notwithstanding the expiry dates of the options, options held by HWCC directors or officers who will not continue to act as directors, officers, employees or consultants of the Resulting Issuer will expire one year following the closing of the Qualifying Transaction.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The table below sets out the outstanding options under the Corporation's Stock Option Plan under which common shares were authorized for issuance as of the end of the lasted financial year ended January 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))
(a)	(b)	(c)	
Equity compensation plans approved by security holders	772,499	\$0.20	1
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	772,499	\$0.20	1

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

There is no employment, consulting or management agreements, or other arrangement in place with the executive officers or directors of HWCC, nor are there any agreements between HWCC and the executive officers or directors that provide for payment to the executive officers in connection with any termination, resignation, retirement, change in control of HWCC or change in responsibilities of the executive officers or directors.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, executive officer or other senior officer of HWCC or person who acted in such capacity, or any Associate of any such director or officer is, or has been, indebted to HWCC nor is, or at any time since the beginning of HWCC's most recently completed financial year, has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by HWCC.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed below, no director, proposed director, executive officer or principal shareholder of the Corporation, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction beginning of HWCC's most recently completed financial year or in any proposed transaction that has materially affected or will materially affect the Corporation.

Since the beginning of HWCC's most recently completed financial year, the Corporation billed and paid legal fees for corporate and securities services of \$127,356.50 to a professional corporation of which Ms. Judith Hong Wilkin, a director and Secretary of the Corporation, is the owner and principal lawyer.

The insiders of HWCC and their respective associates and affiliates currently hold 1,075,000 common shares representing 13.92% of the total outstanding common shares on a non-diluted basis.

AUDITOR

The auditors of HWCC are MNP LLP, Chartered Accountant, Mississauga, Ontario, Canada.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the HWCC Shares is TSX Trust Company, at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than the HWCC directors and officers holding all of the 772,499 outstanding stock options under the Stock Option Plan and other than disclosed below, no Person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. For the purpose of this paragraph, "Person" shall include each person: (a) who has been a director, senior officer or insider of the Corporation at any time since the commencement of the Corporation's last fiscal year; (b) who is a proposed nominee for election as a director of the Corporation; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

APPROVAL

The contents and the sending of this Information Circular have been approved by the directors of the Corporation.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. **However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter with the best judgement of the person or persons voting the proxy.**

ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its financial statements and Management's Discussion and Analysis for fiscal years ended January 31, 2020 and 2019, and additional information relating to the Corporation is on SEDAR at www.sedar.com. If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the financial statements of the Corporation for the fiscal years ended January 31, 2020 and 2019 together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for the periods subsequent to January 31, 2020 and Management's Discussion and Analysis with respect thereto; and
- (b) this Information Circular,

please send your request to: Hope Well Capital Corp.
77 King Street West, Suite 3000
Toronto, Ontario M5K 1G8
Attention: Secretary

DATED at Toronto, Ontario this 26th day of June, 2020.

By order of the Board of Directors

“Bill Hong Ye”

Bill Hong Ye
President, Chief Executive Officer, Chief Financial Officer

SCHEDULE "A"

HOPE WELL CAPITAL CORP.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE

1.1 The primary functions of the Audit Committee of HOPE WELL Capital Corp. (the "**Company**") are to fulfill its responsibilities in relation to reviewing the integrity of the Corporation's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Corporation's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

2. MEMBERSHIP AND ORGANIZATION

2.1 Composition - Subject to paragraph 2.6, the Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Corporation's management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.

2.2 Appointment and Removal of Audit Committee Members - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Corporation at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.

2.3 Chair - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

2.4 Independence - Subject to paragraph 2.6, each member of the Audit Committee shall be an "independent" (as such term is used in National Instrument 52-110 - Audit Committees ("**NI 52-110**").

2.5 Financial Literacy - Subject to paragraph 2.6, members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

2.6 Venture Issuer - For so long as the Corporation is a "venture issuer" as defined in NI 52-110, it is not required to comply with the provisions of paragraph 2.1 "Composition", 2.4 "Independence" or 2.4 "Financial Literacy" above. In the event the Corporation cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board, a majority of whom are not officers or employees of the Corporation or a subsidiary of the Corporation.

3. MEETINGS

3.1 Meetings - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and CEO may call a meeting of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.

3.2 Secretary and Minutes - The Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

3.3 Quorum - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.

3.4 Access to Management and Outside Advisors - The Audit Committee shall have unrestricted access to management and employees of the Corporation, and, from time to time may hold meetings with the external auditor, the CFO or the President and CEO. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Corporation. The Corporation shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

3.5 Meetings Without Management - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

4. FUNCTIONS AND RESPONSIBILITIES

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Corporation are listed, and all other applicable laws.

4.1 Financial Reports

(a) **General** - The Audit Committee is responsible for reviewing the integrity of the Corporation's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Corporation. The external auditors are responsible for auditing the Corporation's annual consolidated financial statements and, if requested by the Corporation, for reviewing the Corporation's unaudited interim financial statements.

(b) **Review of Annual Financial Reports** - The Audit Committee shall review the annual consolidated audited financial statements of the Corporation, the external auditors' report thereon and the

related management's discussion and analysis of the Corporation's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with Canadian generally accepted accounting principles, or any other generally accepted accounting principles in which the financial statements of the Corporation are prepared from time to time, the financial condition, results of operations and cash flows of the Corporation. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) **Review of Interim Financial Reports** - The Audit Committee shall review the interim consolidated financial statements of the Corporation, the external auditors review report thereon, if applicable, and the related MD&A to determine whether they present fairly, in all material respects in accordance with IFRS, the financial condition, results of operations and cash flows of the Corporation. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.

(d) **Review Considerations** - In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the external auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the external auditors;
- (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review results of the Corporation's whistleblowing program; and
- (x) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

4.2 Approval of Other Financial Disclosures - The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Corporation, press releases disclosing financial results of the Corporation and

any other material financial disclosure, including in Management Information Circulars and Annual Information Forms

4.3 External Auditors

- a) **General** -The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Corporation's financial statements and internal controls over financial reporting.
- b) **Appointment and Compensation** - The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors.
- c) **Annual Review Report** - At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.
- d) **Audit Plan** - At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.
- e) **Quarterly Review Report** - If the external auditors review the Corporation's unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Corporation.
- f) **Independence of External Auditors** - At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Corporation, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.
- g) **Evaluation and Rotation of Lead Partner** - At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Corporation and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- h) **Pre-Approval of Non-Audit Services** - The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Corporation in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- i) **Hiring Practices** - The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

4.4 Internal Controls

- (a) **General** - The Audit Committee shall monitor the system of internal control.
- (b) **Establishment, Review and Approval** - The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors: (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions; (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings; (iii) any material issues raised by any inquiry or investigation by the Corporation's regulators; (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

4.5 **Whistleblowing Procedures** - The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Corporation from employees or others, regarding accounting, internal accounting controls, or auditing matters.

4.6 **Succession Planning** - In consultation with the Board, the Audit Committee shall review succession plans for the CFO and the Chief Accountant or Controller of the Corporation. The Audit Committee shall review candidates for the position of CFO of the Corporation and make recommendations to the Board with respect to the appointment of a CFO.

4.7 **Adverse Investments and Transactions** - The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Corporation.

4.8 **Audit Committee Disclosure** - The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Corporation's disclosure documents.

4.9 **Assessment of Regulatory Compliance** - The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.

4.10 **Delegation** - The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. REPORTING TO THE BOARD

5.1 The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.

HOPE WELL CAPITAL CORP.

Annual Consolidated Financial Statements
(Expressed in Canadian dollars)

For Years Ended January 31, 2020 and 2019

Independent Auditor's Report

To the Shareholders of Hope Well Capital Corp.:

Opinion

We have audited the consolidated financial statements of Hope Well Capital Corp. and its subsidiary (the "Corporation"), which comprise the consolidated statements of financial position as at January 31, 2020 and January 31, 2019, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at January 31, 2020 and January 31, 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Isabella Lee.

Mississauga, Ontario

May 20, 2020

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

HOPE WELL Capital Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at January 31, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents (note 3)	\$ 854,997	\$ 865,296
Total assets	\$ 854,997	\$ 865,296
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 19,013	\$ 118,896
Total liabilities	19,013	118,896
Equity:		
Share capital (note 4)	1,083,704	1,083,704
Contributed surplus (note 4)	281,321	281,321
Deficit	(529,041)	(618,625)
Total equity	835,984	746,400
Total liabilities and equity	\$ 854,997	\$ 865,296

Nature of operations (Note 1)

Subsequent events (Note 9)

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

Signed "Sheldon Kale" Director

Signed "Peiwei Ni" Director

HOPE WELL CAPITAL CORP.

Consolidated Statements of Operations and Comprehensive Income (Loss)

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

	2020	2019
Other Income:		
Interest Income	\$ 3,085	\$ -
Lawsuit Settlement (note 1)	300,000	-
Expenses:		
TSXV filing fees and others	22,201	51,470
Professional fees (note 8)	191,300	264,223
Net income (loss) and comprehensive income (loss)	\$ 89,584	\$ (315,693)
Earning (Loss) per share		
Basic	\$ 0.015	\$ (0.051)
Diluted	\$ 0.015	\$ (0.051)
Weighted average number of shares outstanding		
Basic	6,249,999	6,249,999
Diluted	6,249,999	6,249,999

The accompanying notes are an integral part of these consolidated financial statements.

HOPE WELL CAPITAL CORP.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

	Number of Common Share	Share Capital	Contributed Surplus	Deficit	Total
Balance, February 1, 2018	7,724,999	\$1,083,704	\$ 281,321	\$ (302,932)	\$ 1,062,093
Net loss for the year	-	-	-	(315,693)	(315,693)
Balance, January 31, 2019	7,724,999	1,083,704	281,321	(618,625)	746,400
Net income for the year	-	-	-	89,584	89,584
Balance, January 31, 2020	7,724,999	\$ 1,083,704	\$ 281,321	\$ (529,041)	\$ 835,984

The accompanying notes are an integral part of these consolidated financial statements.

HOPE WELL CAPITAL CORP.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Net income (loss) for the year	\$ 89,584	\$ (315,693)
Change in non-cash operating working capital:		
Accounts payable and accrued liabilities	(99,883)	57,401
Cash used in operating activities	(10,299)	(258,292)
Decrease in Cash and cash equivalents	(10,299)	(258,292)
Cash and cash equivalents, beginning of year	865,296	1,123,588
Cash, end of year	461,335	865,296
Cash equivalents, end of year	393,662	-
Cash and cash equivalents, end of year	<u>\$ 854,997</u>	<u>\$ 865,296</u>

The accompanying notes are an integral part of these consolidated financial statements.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

1. Nature of operations

Hope Well Capital Corp. (the "**Corporation**" or "**HWCC**") was incorporated under the Business Corporations Act (Ontario) on December 1, 2016 with the intent of being classified as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**").

On May 3, 2017, the Corporation completed its initial public offering pursuant to a prospectus dated March 24, 2017 by issuing 6,249,999 common shares of the Corporation at a price of \$0.20 per common share for total gross proceeds of \$1,250,000. The common shares of the Corporation were listed on the Exchange on May 9, 2017 under the symbol "HOPE.P" and the Corporation was classified as a CPC.

The Corporation has no assets other than cash and cash equivalents. The Corporation proposes to identify and evaluate potential acquisitions of businesses (for a "Qualifying Transaction"), and once identified and evaluated, to negotiate an acquisition or participation.

The Corporation's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the Exchange. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing.

On May 10, 2019, the Exchange suspended trading of the Corporation's shares in accordance with the Exchange policy as the Corporation was not able to identify a Qualifying Transaction within the time limitations permissible under the policies of the Exchange, which was by May 9, 2019. The trading of the Corporation's shares on the Exchange will remain suspended until the Corporation completes a qualifying transaction, or the applicable Exchange policy has been amended. The Corporation continues to pursue its search for a Qualifying Transaction.

Hope Well Capital Corp. has its wholly owned subsidiary, 2644246 Ontario Limited. ("Hope Well Sub"), which was incorporated on July 5, 2018, and is inactive. These consolidated financial statements include the financial statements of the Corporation and its wholly owned subsidiary.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

1. Nature of operations (continued)

The address of the Corporation's registered office, as of the year end date, was Suite 3000, 77 King Street West, Toronto, Ontario. These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 19, 2020.

Termination of Payfare Transaction

On November 17, 2017, the Corporation entered into a letter of intent for a business combination (the "**Payfare Transaction**") with Payfare Inc. ("**Payfare**"), that would have resulted in a reverse take-over of HWCC on the Exchange. If completed, the Payfare Transaction was intended to constitute the "Qualifying Transaction" of the Corporation under Policy 2.4 - Capital Pool Companies (the "**CPC Policy**") of the Exchange. Subsequently, the Corporation and its wholly owned subsidiary, 2644246 Ontario Limited entered into an amalgamation agreement with Payfare on July 27, 2018, which was amended and restated on September 27, 2018, further amended on November 20, 2018 and further amended and restated on March 4, 2019 (the "**Amalgamation Agreement**").

On March 6, 2019, the Exchange conditionally approved the listing of the resulting issuer on closing of the Payfare Transaction between the Corporation and Payfare.

On March 15, 2019, the Corporation received a notification from Payfare with a copy of a non-binding letter of intent from an unidentified party to purportedly acquire all outstanding securities of Payfare for a cash and stock transaction (the "**Alternative Offer**"). Payfare claimed that the Alternative Offer was a "Superior Merger Proposal" under the Amalgamation Agreement and terminated the Payfare Transaction with the Corporation on March 27, 2019.

The Corporation disputed Payfare's claims and commenced a legal action against Payfare with respect to Payfare's non-compliance with the Amalgamation Agreement claiming, among other things, breach of contract, seeking damages including expenses incurred by the Corporation in connection with the Payfare Transaction.

The Corporation's shares resumed trading on the Exchange on April 9, 2019 and continued seeking for a target for its qualifying transaction in accordance with the rules of the Exchange.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

1. Nature of operations (continued)

On June 12, 2019, the Corporation entered into a settlement agreement with full and final mutual releases with Payfare in connection with claims made by the Corporation against Payfare and counterclaims made by Payfare against the Corporation in a court action regarding the disputes on Payfare's termination of the proposed Payfare Transaction. The parties settled the disputes without admission of liability. Therefore, settlement fee of \$300,000 was received.

2. Significant accounting policies

a) *Statement of compliance*

The significant accounting policies applied in the Corporation's consolidated financial statements are based on International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective as of January 31, 2020.

b) *Basis of measurement*

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

c) *Functional and presentation currency*

These consolidated financial statements are presented in Canadian dollars, which is the Corporation and subsidiary's functional and presentation currency.

d) *Financial instruments*

IFRS 9 includes requirements for recognition and measurement, impairment, derecognition, and general hedge accounting.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

2. Significant accounting policies (continued)

Financial assets within the scope of IFRS 9 are classified in the following measurement categories: amortized cost, fair value through profit or loss (“**FVTPL**”), or fair value through other comprehensive income (“**FVOCI**”). Financial liabilities are classified in the following measurement categories: fair value through profit or loss, or amortized cost.

Financial Assets

The Corporation’s financial assets consist of cash and cash equivalents and measured at FVTPL.

i. Amortized cost

Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

ii. Fair value through profit or loss

Financial assets classified as FVTPL are measured at fair value with changes in fair value recognized in net profit or loss.

Classification

The Corporation determines that classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not classified as FVTPL, directly attributable transaction costs.

Impairment of financial assets

Financial assets not measured at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

2. Significant accounting policies (continued)

Financial Liabilities

The Company's financial liabilities consist of accounts payable and accrued liabilities and are measured at amortized cost.

i. Amortized cost

Financial liabilities measured at amortized cost, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

Financial instruments recorded at fair value

IFRS 9 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value.

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

2. Significant accounting policies (continued)

At January 31, 2020, the Corporation's financial instruments consisted of cash and cash equivalents and accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying value due to the relatively short-term maturity of these instruments. Cash and cash equivalents are measured at fair value and was classified within Level 1 of the fair value hierarchy on the consolidated Statements of Financial Position.

e) *Deferred Taxes*

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustments to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

A deferred tax asset is recognized to the extent that is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

f) *Share Capital*

Common shares are classified as equity. Costs directly attributable to the issuance of shares are recognized as a deduction from equity.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

2. Significant accounting policies (continued)

g) Basic and Diluted Earning (Loss) per Share

Basic earning (loss) per share is computed by dividing the net income (loss) applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted earning (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

h) Share-based Payments

Equity-settled share-based payments for directors, officers, employees and consultants are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements.

The Corporation applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized in the respective reporting period. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

i) Use of estimates and key judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

2. Significant accounting policies (continued)

j) IFRS 16 Leases

IFRS 16, Leases (“**IFRS 16**”) was issued by the IASB in January 2016, and will replace IAS 17 Leases. IFRS 16 specifies the methodology to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, requiring lessors to classify leases as operating or finance. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 has also been adopted. A lessee will apply IFRS 16 to its leases either retrospectively to each prior reporting period presented; or retrospectively with the cumulative effect of initially applying IFRS 16 being recognized at the date of initial application. The Corporation has no leases and there is no impact in adopting this accounting policy.

k) IFRS 23

IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If any entity concludes it is probably that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistent with the tax treatment used or planned to be used in its income tax filings. If any entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 will be effective for annual periods beginning on or after January 1, 2019. There is no impact to the Corporation’s consolidated financial statements on adoption of IFRIC 23.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

3. Cash and cash equivalents

Once the Corporation has been classified as a Capital Pool Company, the proceeds raised from the issuance of capital stock may only be used to identify and evaluate assets or businesses for future investments, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenditures of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

4. Share capital

Authorized Unlimited Common Shares

The Corporation is authorized to issue an unlimited number of common shares, and on April 30, 2017, the Corporation issued 1,475,000 common shares at \$0.10 per share for total proceeds of \$147,500.

On May 3, 2017, the Corporation completed its initial public offering (the “**Offering**”) pursuant to the Prospectus through its agent, Mackie Research Capital Corporation (the “**Agent**”) of 6,249,999 common shares of the Corporation at a price of \$0.20 per common share for total gross proceeds of \$1,250,000.

As consideration for its role as agent, the Corporation granted to the Agent a non-transferable option to purchase up to 625,000 common shares of the Corporation at a price of \$0.20 per common share for a period of 24 months until May 3, 2019. In addition, the Agent received a cash commission in an amount equal to 10% of the gross proceeds of the initial public offering, a work fee of \$15,000 and reimbursement of certain expenses.

Upon closing of the initial public offering, the Corporation also granted 772,500 incentive stock options to its directors and officers which are exercisable for a period of five years at an exercise price of \$0.20 per share. On June 29, 2017, the Corporation received the resignation from a director and officer, and the 270,375 options granted to this director and officer expired on September 29, 2017 without being exercised in accordance with the terms of the stock option plan. On November 6, 2017, the Corporation granted a total of 270,374 options to two directors, exercisable at a price of \$0.21 per share until November 6, 2022.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

4. Share capital (continued)

Escrow shares

All the 1,475,000 common shares issued prior to the Offering and all common shares that may be acquired from treasury of the Corporation by non-arm's length parties, as defined in the policies of the Exchange, of the Corporation prior to the completion of the Qualifying Transaction will be deposited with the trustee under the escrow agreement. Under the Discount Seed Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 15% will be released on the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. This release schedule may be accelerated if the Corporation is listed as a Tier 1 Issuer.

All common shares acquired upon exercise of stock options prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued, following which the common shares will be released from escrow in accordance with the terms of the escrow agreement.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a control person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer following the Qualifying Transaction will also be escrowed. As at January 31, 2020, 1,475,000 common shares were held in escrow.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

4. Share capital (continued)

Stock Option Plan

During the year ended January 31, 2018, the directors of the Corporation approved a stock option plan (the "**Plan**") for the directors, officers, employees and consultants of the Corporation. The outstanding options granted under the Plan are exercisable for a period of up to 10 years from the date of the grant. The exercise price of the options shall be determined by the Board of Directors at the time of the grant. The aggregate number of shares issuable upon the exercise of all options granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. The number of common shares reserved for issuance to (a) any participant will not exceed 5% of the issued and outstanding common shares in a twelve-month period, and (b) any individual director or officer will not exceed 5% of the issued and outstanding common shares while the corporation is a CPC, and (c) any person conducting investor relations activities within a 12 month period shall not exceed 2% of the common shares outstanding at the time of grant, provided that, while the Corporation is a CPC, no common shares may be reserved for issuance to any persons conducting investor relations activities, promotional or market-making services, and (d) Insiders shall not exceed 10% of the common shares outstanding from time to time, and (e) Insiders within a 12 month period shall not exceed 10% of the common shares outstanding from time to time; and (f) to any one consultant in any 12 month period shall not exceed 2% of the common shares outstanding at the time of the grant. Options granted to an optionee while the Corporation is a CPC who does not continue as a director, officer, technical consultant or employee of the resulting issuer may be exercised until the later of 12 months after the completion of the Qualifying Transaction and 90 days after the optionee ceases to be a director, officer, technical consultant or employee of the resulting issuer.

As at January 31, 2020 and 2019, the Corporation had a total of 772,499 stock options outstanding and exercisable, with 502,125 stock options exercisable for a period of five years until May 3, 2022 at an exercise price of \$0.20 per share, and 270,374 stock options exercisable for a period of five years until November 6, 2022 at an exercise price of \$0.21 per share.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

4. Share capital (continued)

Agent's Option

As at January 31, 2019, Mackie Research Capital Corporation ("**Mackie**") has a non-transferable option (the "**Agent's Option**") to purchase up to 625,000 common shares of the Corporation at a price of \$0.20 per common share until May 3, 2019. The Agent's Option expired on May 3, 2019 and was not exercised. As at January 31, 2020, no Agent's Option was outstanding.

5. Income taxes

The reconciliation of the combined federal and provincial corporate income taxes at statutory rates of 26.5% (2019 – 26.5%) to the Corporation's effective income tax expense is as follows:

	January 31, 2020	January 31, 2019
Net profit (loss) before recovery of income taxes	\$ 89,584	\$ (315,693)
Expected income tax (recovery) expense	23,740	(83,659)
Items subject to different tax rates	\$ (34,530)	\$ -
Changes in tax benefits not recognized	10,790	83,659
Income tax (recovery) expense	\$ -	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	January 31, 2020	January 31, 2019
Non-capital losses carried forward	\$ 602,410	\$ 553,123
Share issuance costs	89,400	188,278

The Canadian losses carry forwards will expire between 2037 and 2040. Share issuance costs will be fully amortized in 2022. The remaining deductible temporary differences may be carried forward indefinitely.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

5. Income taxes (Continued)

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the company can utilize the benefits therefrom.

The Corporation's Canadian non-capital income tax losses expire as follows:

2037	\$	37,780
2038		118,840
2039		360,390
2040		<u>85,400</u>
	\$	602,410

6. Financial instruments fair values

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Corporation's liabilities.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

7. Capital management and risk management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares, in the definition of capital. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

8. Related party transactions

During the year ended January 31, 2020, the Corporation paid legal fees of \$116,560 provided by a legal professional corporation whose principal lawyer became a director of the Corporation on August 6, 2019.

There was no other transaction with related parties and no remuneration was paid to key management personnel during the year ended January 31, 2020.

All transactions with related parties occurred in the normal course of operations.

9. Subsequent events

- i) On February 6, 2020, the Corporation entered into a letter of intent, as amended as of March 11, 2020 (the "LOI") for a business combination (the "Loc8 Transaction") with Loc8 Corp. ("Loc8"), a corporation existing under the laws of Ontario that will result in a reverse take-over of HWCC on the Exchange. If completed, the Loc8 Transaction is intended to constitute the "Qualifying Transaction" of the CPC Policy of the Exchange.

The proposed Loc8 Transaction is not a "Non-Arm's Length Qualifying Transaction" within the meaning of the CPC Policy of the Exchange and, as such, shareholder approval is not required, unless otherwise required by the Exchange.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

9. Subsequent events (continued)

HWCC and Loc8 will complete the Loc8 Transaction by way of a share exchange, amalgamation, arrangement, share purchase, or other form of transaction which would result in Loc8 becoming a wholly-owned subsidiary of HWCC or otherwise combine its corporate existence with a wholly-owned subsidiary of HWCC. Once the structure is determined, the LOI will be superseded by a definitive agreement between HWCC and Loc8, and the parties will announce the signing of such definitive agreement. Following completion of the Loc8 Transaction, HWCC as the resulting issuer (the "Resulting Issuer") will hold all of Loc8's assets and conduct the business of Loc8.

Prior to, and as a condition of closing of the Loc8 Transaction and subject to TSXV approval, HWCC will consolidate its outstanding shares (the "Consolidation") on the basis of 1.20 pre-Consolidation common shares for one post-Consolidation common share (a "Post-Consolidation Share"). The Resulting Issuer also expects to change its name to "Deepspatial AI Corp." or such other similar name approved by the directors of HWCC and Loc8 and acceptable to the applicable regulatory authorities.

The Corporation will, subject to acceptance by the Exchange and meeting other regulatory requirements, issue Post-Consolidation Shares of the Corporation in exchange for all of the issued and outstanding common shares of Loc8 (the "Loc8 Shares") on the basis of one Loc8 Share for one Post-Consolidation Share. All outstanding convertible securities of Loc8 will be replaced by convertible securities of the Resulting Issuer on a post-Consolidation basis.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

9. Subsequent events (continued)

In conjunction with the Loc8 Transaction, Loc8 and HWCC entered into an engagement letter with Mackie Research Capital Corporation on February 11, 2020 to conduct a brokered private placement (the "Financing") led by Mackie Research Capital Corporation to raise gross proceeds of a minimum of \$2,000,000 and a maximum of \$3,000,000 through the issuance of subscription receipts of Loc8 ("Subscription Receipts"). The Subscription Receipts will be offered at a price to be determined in the context of the market currently expected to be \$0.30 per Subscription Receipt. Upon satisfaction of the escrow release conditions, including all conditions precedent to the Loc8 Transaction being satisfied, each Subscription Receipt will automatically convert without any further action on the part of the holder into one Loc8 Share immediately prior to completion of the Loc8 Transaction. Should the escrow release conditions not be satisfied on or before a certain date which is currently contemplated to be the 180th day after closing of the Financing, the Subscription Receipts will be cancelled and all proceeds from the sale of Subscription Receipts will be returned to the subscribers. On completion of the Loc8 Transaction, each Loc8 Share will be exchanged for one Post-Consolidation Share of the Resulting Issuer.

Pursuant to the terms of the LOI, completion of the Loc8 Transaction will be subject to a number of conditions, including completion of a minimum raise of \$2,000,000 in the Financing, receipt of all required regulatory approvals, including the approval of the Exchange of the Loc8 Transaction, completion of all due diligence reviews, satisfaction of the minimum listing requirements of the Exchange and all requirements under the Exchange rules relating to completion of a qualifying transaction, and the execution of a definitive agreement. There can be no assurance that the Loc8 Transaction will be completed as proposed or at all.

The proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction (as defined by the Exchange) and is not expected to be subject to shareholder approval. The Corporation intends to hold a shareholders' meeting to approve the Consolidation, the name change and other related matter requiring shareholder approval under its governing corporate statute. Further details of the proposed transaction, including the consideration to be paid, will follow in future announcements.

HOPE WELL CAPITAL CORP.

Notes to Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended January 31, 2020 and 2019

9. Subsequent events (continued)

- ii) Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

HOPE WELL CAPITAL CORP.

(A CAPITAL POOL COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED JANUARY 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

Introduction

This Management's Discussion and Analysis ("MD&A") is dated May 20, 2020 unless otherwise indicated and should be read in conjunction with the audited consolidated financial statements of Hope Well Capital Corp. ("HWCC" or the "Corporation") for the year ended January 31, 2020 and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the year ended January 31, 2020, are not necessarily indicative of the results that may be expected for any future period.

The audited annual financial statements for the year ended January 31, 2020, have been prepared in accordance 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").

Further information about the Corporation and its operations can be obtained from the offices of the Corporation or from www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of the Corporation to

complete a Qualifying Transaction (defined below); the ability of the Corporation to successfully merge its business with a potential Qualifying Transaction target company or asset, the Corporation's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Corporation's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Overview

The Corporation was incorporated under the *Business Corporations Act* (Ontario) on December 1, 2016 with the intent of being classified as a Capital Pool Company ("**CPC**") as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**"). The Corporation has no assets other than cash. The Corporation proposes to identify and evaluate potential acquisitions of businesses (for a "**Qualifying Transaction**"), and once identified and evaluated, to negotiate an acquisition or participation. The registered office of the Corporation is located at Suite 3000, 77 King Street West, Toronto, Ontario, M5K 1G8. The Corporation's financial year ends on January 31.

The Corporation's continuing operations are dependent upon its ability to evaluate and negotiate an agreement to acquire an interest in a material asset or business within twenty-four months of listing on the Exchange. Where an acquisition or participation is warranted, additional funding may be required. The ability of the Corporation to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. There is no assurance that the Corporation will be able to complete a Qualifying Transaction within twenty-four months of being listed or that it will be able to secure the necessary financing to complete a Qualifying Transaction. The Exchange may suspend or de-list the Corporation's common shares from trading should it not meet these requirements.

The Corporation has not commenced commercial operations and has no assets other than cash. The Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange.

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or delist the Corporation's shares from trading.

Until Completion of the Qualifying Transaction (as such term is defined in Policy 2.4), the Corporation will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a Qualifying Transaction. Except as described in the Corporation's prospectus dated March 24, 2017 in connection with the IPO, funds raised pursuant to the issuance of shares by the Corporation will be utilized only for the identification and evaluation of potential Qualifying Transactions and, to the extent permitted by Policy 2.4, for general and administrative expenses.

Initial Public Offering

On May 3, 2017, the Corporation completed its initial public offering (the "IPO") through its agent, Mackie Research Capital Corporation ("Mackie"), pursuant to a prospectus dated March 24, 2017 by issuing 6,249,999 common shares of the Corporation at a price of \$0.20 per common share for total gross proceeds of \$1,250,000. The Corporation became classified as a Capital Pool Company pursuant to Policy 2.4 — Capital Pool Companies ("Policy 2.4") of the Exchange and commenced trading on the Exchange under the symbol HOPE.P on May 9, 2017. The Corporation's principal business is the identification and evaluation of assets or businesses for the purpose of completing a Qualifying Transaction (as such term is defined in Policy 2.4).

As consideration for its role as agent, the Corporation granted to Mackie a non-transferable option (the "Agent's Option") to purchase up to 625,000 common shares of the Corporation at a price of \$0.20 per common share for a period of 24 months until May 3, 2019. In addition, Mackie received a cash commission in an amount equal to 10% of the gross proceeds of the initial public offering, a work fee of \$15,000 and reimbursement of certain expenses.

Upon closing of the IPO, the Corporation also granted 772,500 incentive stock options to its directors and officers which are exercisable for a period of five years at an exercise price of \$0.20 per share. On June 29, 2017, the Corporation received the resignation from a director, and the 270,375 options granted to him expired on September 29, 2017 in accordance with the terms of the stock option plan. On November 6, 2017, the Corporation granted a total of 270,374 options to two directors, exercisable at a price of C\$0.21 per share until November 6, 2022.

Escrow shares

All common shares issued prior to the offering and all common shares that may be acquired from treasury of the Corporation by non-arm's length parties, as defined in the policies of the Exchange, of the Corporation prior to the completion of the Qualifying Transaction will be deposited with the trustee under the escrow agreement. Under the Discount Seed Escrow Agreement, 10% of the escrowed Common Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on

the dates which are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. This release schedule may be accelerated if the Corporation is listed as a Tier 1 Issuer.

All common shares acquired upon exercise of stock options prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final exchange bulletin is issued, following which the common shares will be released from escrow in accordance with the terms of the escrow agreement.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a control person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer following the Qualifying Transaction will also be escrowed. As at January 31, 2020, 1,475,000 common shares were in escrow.

Terminated Proposed Qualifying Transaction

On November 17, 2017, the Corporation entered into a letter of intent for a business combination (the “**Payfare Transaction**”) with Payfare Inc. (“**Payfare**”), that would have resulted in a reverse take-over of HWCC on the Exchange. If completed, the Payfare Transaction was intended to constitute the “Qualifying Transaction” of the Corporation under Policy 2.4 - Capital Pool Companies (the “**CPC Policy**”) of the Exchange. Subsequently, the Corporation and its wholly owned subsidiary, 2644246 Ontario Limited entered into an amalgamation agreement with Payfare on July 27, 2018, which was amended and restated on September 27, 2018, further amended on November 20, 2018 and further amended and restated on March 4, 2019 (the “**Amalgamation Agreement**”).

On March 6, 2019 the Exchange conditionally approved the listing of the resulting issuer on closing of the Payfare Transaction between the Corporation and Payfare.

On March 15, 2019, the Corporation received an email notice from Payfare with a copy of a non-binding letter of intent from an unidentified party to purportedly acquire all outstanding securities of Payfare for a cash and stock transaction (the “**Alternative Offer**”). Payfare claimed that the Alternative Offer was a “Superior Merger Proposal” under the Amalgamation Agreement and terminated the Payfare Transaction with the Corporation on March 27, 2019.

The Corporation disputed Payfare's claims and commenced a legal action against Payfare with respect to Payfare's non-compliance with the Amalgamation Agreement claiming, among other things, breach of contract, seeking damages including expenses incurred by the Corporation in connection with the Payfare Transaction.

The Corporation's shares resumed trading on the Exchange on April 9, 2019. On May 10, 2019 the Exchange suspended trading of the Corporation's shares in accordance with the Exchange policy as the Corporation did not complete a qualifying transaction by May 9, 2019, which was two years from listing on the Exchange. The trading of the Corporation's shares on the Exchange will remain suspended until the Corporation completes a qualifying transaction, or the applicable Exchange policy has been amended.

On June 12, 2019, the Corporation entered into a settlement agreement with full and final mutual releases with Payfare in connection with claims made by the Corporation against Payfare and counterclaims made by Payfare against the Corporation in a court action regarding the disputes on Payfare's termination of the proposed Payfare Transaction. The parties settled the disputes without admission of liability. Settlement fee of \$300,000 was received together with remaining balance of retainer for \$90,577.58, which was deposited into GIC account with one-year term and annual interest rate of 1.27% maturing on June 19, 2020.

Operations Highlights

The Corporation's net profit totaled \$89,584 for the year ended January 31, 2020 (2019 – net loss of \$315,693), with basic earning per share of 0.015 (2019 – basic loss per share of \$0.051), and diluted earning per share of \$0.015 (2019 - diluted loss per share of \$0.051). Activities for the year ended January 31, 2020 principally involved lawsuit settlement received of \$300,000 and accrued interest income of \$3,085, professional fees of \$191,300, and TSXV fees and others of \$22,201 (2019 – professional fees of \$264,223, and TSXV fees and others of \$51,470).

Financial Highlights

Financial Performance

The Corporation's total assets at January 31, 2020 were \$854,997 (January 31, 2019 - \$865,296) against total liabilities of \$19,013 (January 31, 2019 - \$118,896). The decrease in total assets of \$10,299 resulted from expenditures on professional services and TSXV filing fees. The Corporation has sufficient current assets to pay its existing liabilities of \$19,013 at January 31, 2020 and meet its objective of completing a Qualifying Transaction.

Cash Flow

At January 31, 2020, the Corporation had working capital of \$835,984, compared to working capital of \$746,400 at January 31, 2019. The Corporation had cash of \$854,997 at January 31, 2020 compared to \$865,296 at January 31, 2019. The decrease in working capital and in cash is primarily due to expenditures on professional services and TSXV filing fees.

Liquidity and Financial Position

At January 31, 2020, the Corporation had working capital of \$835,984. The Corporation manages its capital structure and makes adjustments to it, based on available funds to the Corporation. Capital levels for Capital Pool Companies are regulated pursuant to guidelines issued by the Exchange. These guidelines state that until Completion of the Qualifying Transaction, and except as otherwise provided in the Policy 2.4, a maximum of the lesser of 30% of the gross proceeds from the sale of all securities issued by the Corporation and \$210,000 may be used for purposes other than evaluating businesses or assets, subject to the obtaining of a waiver of the Exchange. These restrictions apply until Completion of the Qualifying Transaction by the Corporation. Management believes the Corporation's working capital is sufficient for the

Corporation to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction. As at January 31, 2020, these restrictions had been met.

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Contractual Obligations

There are no significant contractual obligations.

Related Party Transactions

During the 12 months period ended January 31, 2020, the Corporation paid legal fees of \$116,560 provided by a legal professional corporation whose principal lawyer became a director of the Corporation on August 6, 2019.

There was no other transaction with related parties and no remuneration was paid to key management personnel during the 12 months period ended January 31, 2020.

All transactions with related parties occurred in the normal course of operations.

9. Subsequent Events

- (i) On February 6, 2020, the Corporation entered into a letter of intent, as amended as of March 11, 2020 (the "**LOI**") for a business combination (the "**Loc8 Transaction**") with Loc8 Corp. ("**Loc8**"), a corporation existing under the laws of Ontario that will result in a reverse take-over of HWCC on the Exchange. If completed, the Loc8 Transaction is intended to constitute the "Qualifying Transaction" of the CPC Policy of the Exchange.

The proposed Loc8 Transaction is not a "Non-Arm's Length Qualifying Transaction" within the meaning of the CPC Policy of the Exchange and, as such, shareholder approval is not required, unless otherwise required by the Exchange.

HWCC and Loc8 will complete the Loc8 Transaction by way of a share exchange, amalgamation, arrangement, share purchase, or other form of transaction which would result in Loc8 becoming a wholly-owned subsidiary of HWCC or otherwise combine its corporate existence with a wholly-owned subsidiary of HWCC. Once the structure is determined, the LOI will be superseded by a definitive agreement between HWCC and Loc8, and the parties will announce the signing of such definitive agreement. Following completion of the Loc8 Transaction, HWCC as the resulting issuer (the "**Resulting Issuer**") will hold all of Loc8's assets and conduct the business of Loc8.

Prior to, and as a condition of closing of the Loc8 Transaction and subject to TSXV approval, HWCC will consolidate its outstanding shares (the "**Consolidation**") on the basis of 1.20 pre-Consolidation common shares for one post-Consolidation common share (a "**Post-Consolidation Share**"). The Resulting Issuer also expects to change its name to "Deepspatial AI Corp." or such other similar name approved by the directors of HWCC and Loc8 and acceptable to the applicable regulatory authorities.

The Corporation will, subject to acceptance by the Exchange and meeting other regulatory requirements, issue Post-Consolidation Shares of the Corporation in exchange for all of the issued and outstanding common shares of Loc8 (the "**Loc8 Shares**") on the basis of one Loc8 Share for one Post-Consolidation Share. All outstanding convertible securities of Loc8 will be replaced by convertible securities of the Resulting Issuer on a post-Consolidation basis.

In conjunction with the Loc8 Transaction, Loc8 and HWCC entered into an engagement letter with Mackie Research Capital Corporation on February 11, 2020 to conduct a brokered private placement (the "**Financing**") led by Mackie Research Capital Corporation to raise gross proceeds of a minimum of \$2,000,000 and a maximum of \$3,000,000 through the issuance of subscription receipts of Loc8 ("**Subscription Receipts**"). The Subscription Receipts will be offered at a price to be determined in the context of the market currently expected to be \$0.30 per Subscription Receipt. Upon satisfaction of the escrow release conditions, including all conditions precedent to the Loc8 Transaction being satisfied, each Subscription Receipt will automatically convert without any further action on the part of the holder into one Loc8 Share immediately prior to completion of the Loc8 Transaction. Should the escrow release conditions not be satisfied on or before a certain date which is currently contemplated to be the 180th day after closing of the Financing, the Subscription Receipts will be cancelled and all proceeds from the sale of Subscription Receipts will be returned to the subscribers. On completion of the Loc8 Transaction, each Loc8 Share will be exchanged for one Post-Consolidation Share of the Resulting Issuer.

Pursuant to the terms of the LOI, completion of the Loc8 Transaction will be subject to a number of conditions, including completion of a minimum raise of \$2,000,000 in the Financing, receipt of all required regulatory approvals, including the approval of the Exchange of the Loc8 Transaction, completion of all due diligence reviews, satisfaction of the minimum listing requirements of the Exchange and all requirements under the Exchange rules relating to completion of a qualifying transaction, and the execution of a definitive agreement. There can be no assurance that the Loc8 Transaction will be completed as proposed or at all.

The proposed Qualifying Transaction does not constitute a Non-Arm's Length Qualifying Transaction (as defined by the Exchange) and is not expected to be subject to shareholder approval. The Corporation intends to hold a shareholders' meeting to approve the Consolidation, the name change and other related matter requiring shareholder approval under its governing corporate statute. Further details of the

proposed transaction, including the consideration to be paid, will follow in future announcements.

- (ii) Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Risk Factors

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Corporation and its financial position.

Possible Trading Suspension or Delisting

The Exchange may suspend from trading or delist the securities of the Corporation where the Corporation has failed to complete a Qualifying Transaction within the 24 months of the date of listing or if the Corporation fails to meet initial listing requirements of the Exchange upon Completion of the Qualifying Transaction. Suspension from trading of the common shares may, and delisting of the common shares will, result in the regulatory securities authorities issuing an interim cease trade order against the Corporation. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares of the Corporation held by Insiders. Trading in the common shares of the Corporation may be halted at other times for other reasons, including for failure by the Corporation to submit documents to the Exchange in the time periods required.

Securities Regulatory Authorities or the Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including approval of the Prospectus by the securities regulatory authorities, acceptance by the Exchange and in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval as such terms are defined in Policy 2.4.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the securities regulatory authorities or the Exchange may not approve a Qualifying Transaction:

- (a) if the Corporation fails to meet the initial listing requirements prescribed by Policy 2.1 – Initial Listing Requirements of the Exchange upon Completion of the Qualifying Transaction;
- (b) if, following Completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under applicable securities laws;
- (c) the consideration proposed to be paid by the Corporation in connection with the Qualifying Transaction is not acceptable to the Exchange; or
- (d) for any other reason at the sole discretion of the securities regulatory authorities or the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the common shares.

Dilution

If the Corporation issues treasury shares to finance acquisition or participation opportunities, control of the Corporation may change and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation but will be devoting such time as required to effectively manage the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in the search for assets or businesses on their own behalf or on behalf of others such that conflicts may arise from time to time. As a consequence of such conflicts, the Corporation may be exposed to liability and its ability to achieve its business objectives may be impaired.

Reliance on Management

The Corporation is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Corporation is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Corporation.

Critical Accounting Estimates

The preparation of the audited financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could

differ from these estimates. The audited financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Financial Instruments Fair Values

At January 31, 2020, the Corporation's financial instruments consisted of cash, accounts payable and accrued liabilities. The fair value of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash. To minimize the credit risk the Corporation places these instruments with a high credit quality financial institution.

Interest Rate Risk

The Corporation is not exposed to any significant interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs and to meet the Corporation's liabilities.

Capital Management and Risk Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of issued common shares, in the definition of capital. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

Outlook

The financial results for the year ended January 31, 2020 are indicative of a Capital Pool Company that has not yet commenced business operations. At year end the Corporation had no commercial assets other than cash. Until the completion and approval of the Qualifying Transaction the Corporation will not carry on any business other than the identification and evaluation of assets or businesses to be developed by the Corporation.

Share Capital

As of January 31, 2020, the Corporation had 7,724,999 issued and outstanding common shares, and it also had 772,499 incentive stock options outstanding granted its directors and officers, with 502,125 stock options expiring on May 3, 2022 exercisable at \$0.20 per share, and 270,374 stock options expiring on November 6, 2022 exercisable at a price of \$0.21 per share. In addition, the Corporation had a non-transferable Agent's Option to purchase up to 625,000 common shares of the Corporation at a price of \$0.20 per common share for a period of 24 months until May 3, 2019 which expired on May 3, 2019, and as of January 31, 2020, no Agent's Option was outstanding.

The Corporation obtained shareholder approval at the shareholders' meeting held on August 6, 2019 for cancelling 1,075,000 founder shares of the Corporation issued to insiders prior to the Corporation's initial public offering. The Corporation has yet to apply to the Exchange to cancel these founder shares pending the outcome of the regulatory approval for certain amendments to the Exchange's CPC Policy.