

Form 62-103F1

REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares of Halo Labs Inc. (the "**Company**").

The Company's address is:

Halo Labs Inc.
77 King Street West, Suite 400
Toronto, Ontario M5K 0A1

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The common shares were acquired in a private transaction and not through the facilities of any stock exchange. The common shares are listed on the Neo Exchange Inc. (the "**NEO**") under the symbol "HALO".

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Evolution Trustees Limited, as trustee for SP1 Credit Fund ("**SP1**")

The registered address of SP1 is Level 23, 1 O'Connell Street, Sydney NSW 2000, Australia.

SP1 is a trust formed under the laws of the State of New South Wales, Australia. Evolution Trustees Limited is the sole trustee of SP1 Credit Fund and is a corporation incorporated under the laws of the State of New South Wales, Australia.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

This report is filed in connection with a debt purchase agreement dated November 18, 2020 (the "**Debt Purchase Agreement**"), between, among others, the Company, Halo Winberry Holdings, LLC, a wholly owned subsidiary of the Company (the "**Buyer**") and SP1, whereby the Buyer purchased certain Debt Assets (as defined in the Debt Purchase Agreement) from SP1. Pursuant to the Debt Purchase Agreement, the Company issued 169,916,339 common shares in the capital of the Company (the "**Common Shares**") to SP1 as consideration for the Debt Assets. The Debt Purchase Agreement was subject to customary closing conditions, including the approval of the NEO, and upon satisfaction of those conditions, the transactions contemplated by the Debt Purchase Agreement closed on December 18, 2020.

Concurrently with the closing of the Debt Purchase Agreement and issuance of the Common Shares, SP1, the Company and Odyssey Trust Company (“**Odyssey**”) entered into an escrow agreement (the “**Escrow Agreement**”), whereby 12,916,339 of the Common Shares (the “**Escrowed Shares**”) were delivered to Odyssey to be held in escrow and released to either SP1, or to the Company for cancellation, pursuant to the terms of the Escrow Agreement.

2.3 State the names of any joint actors.

Not applicable.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

On December 18, 2020, SP1 acquired 169,916,339 Common Shares as consideration for the sale of the Debt Assets pursuant to the Debt Purchase Agreement, resulting in an increase in SP1's securityholding percentage from 0% to 14.23% of the issued and outstanding Common Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See item 3.1.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Immediately prior to the closing of the Debt Purchase Agreement, SP1 held 0 Common Shares representing 0% of the issued and outstanding Common Shares. Following the closing of the Debt Purchase Agreement, SP1 holds 169,916,339 Common Shares representing approximately 14.23% of the issued and outstanding Common Shares.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See item 3.1.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 - Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The Common Shares were issued as consideration for the Debt Assets. The Debt Assets included, as of December 18, 2020, outstanding principal, interest and other obligations in an aggregate amount of approximately USD\$18,739,588 (C\$23,833,008) owing under a credit agreement. The borrower is in default under the credit agreement and was placed into receivership on October 29, 2019.

- 4.2** In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 4.1.

- 4.3** If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

SP1 acquired the Common Shares as consideration for the sale of the Debt Assets to the Buyer pursuant to the terms of the Debt Purchase Agreement.

SP1 may, in the future, increase or decrease its ownership of securities of the Company, directly or indirectly, from time to time depending upon, among other things, the business and prospects of the Company and future market conditions.

Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Transfer Restrictions

In addition to any restrictions on transfer required by applicable securities laws, SP1 will also be subject to volume trading restrictions, pursuant to the terms of the Debt Purchase Agreement. SP1 may not, during any trading day following its receipt of any Common Shares originally issued pursuant to the Debt Purchase Agreement, enter into any transaction or series of transactions, through the facilities of any stock exchange on which the Common Shares are then listed, that results in the sale by SP1 of a number of Common Shares that is greater than 10% of the total daily volume of the Common Shares traded on such stock exchange for the previous trading day.

The Escrowed Shares will also be subject to the restrictions on transfer set forth in the Escrow Agreement.

Item 7 - Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 - Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: December 18, 2020

**EVOLUTION TRUSTEES LIMITED,
as trustee for SP1 Credit Fund By
its investment manager, TRIBECA
INVESTMENT PARTNERS PTY LTD**

(signed) "Ken Liu"

Ken Liu

Compliance Manager