



CANADA COMPUTATIONAL UNLIMITED CORP.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR OF
CANADA COMPUTATIONAL UNLIMITED CORP.**

April 29, 2022

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of the shareholders (the “**Meeting**”) of Canada Computational Unlimited Corp. (the “**Corporation**” or “**CCU**”) will be held in virtual form only at www.virtualshareholdermeeting.com/SATO2022 starting at **2:00 pm (Eastern Time)**, on **May 31, 2022**, for the purposes of:

1. receiving the financial statements of the Corporation for the year ended December 31, 2021 and the report of the auditor thereon;
2. electing directors for the ensuing year;
3. appointing the auditor and authorizing the directors to fix its remuneration;
4. considering and, if deemed advisable, approving, with or without variation, a resolution, the text of which is set out in Schedule “A” to the management information circular of the Corporation dated April 29, 2022 (the “**Circular**”), ratifying and confirming the Corporation’s amended and restated stock option plan (the “**Option Plan**”), as further described in the Circular;
5. considering, and if deemed advisable, approving, with or without variation, a special resolution, the text of which is set out in Schedule “C” to the Circular, authorizing an amendment of the articles of the Corporation providing for a change of name of the Corporation to “**SATO Technologies Corp.**”, or such other name as the board of directors may determine is appropriate, as further described in the Circular;
6. considering, and if deemed advisable, approving, with or without variation, a special resolution, the text of which is set out in Schedule “D” to the Circular, authorizing the board of directors to set the number of directors from time to time within the minimum and maximum number of directors set forth in the articles of the Corporation, in accordance with Section 125(3) of the *Business Corporations Act* (Ontario), provided that the total number of directors so set may not exceed one-third of the number of directors elected at the previous annual meeting of the Shareholders;
7. considering, and if deemed advisable, approving, with or without variation, an ordinary resolution, the text of which is set out in Schedule “E” to the Circular, ratifying, confirming and approving certain amendments to By-law No. 1 of the Corporation approved by the board of directors on April 26, 2022;
8. transacting such other business as may properly be brought before the Meeting.

In light of the ongoing public health concerns related to the spread of COVID-19 and in order to mitigate potential risks to the health and safety of its Shareholders, employees, communities and other stakeholders, the Corporation has elected to hold the Meeting as a completely virtual meeting, which will be conducted via live webcast, at www.virtualshareholdermeeting.com/SATO2022. All Shareholders will have an equal opportunity to participate to the Meeting, regardless of their physical location.

Registered and non-registered shareholders entitled to vote at the Meeting may vote by proxy in advance of the Meeting. However, only registered shareholders and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) will be entitled to vote at the Meeting during the live webcast. Non-registered shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting and ask questions but will not be able to vote. Guests will be able to attend the Meeting but will not be able to submit questions, vote their shares (if any) or otherwise participate in the Meeting. Please note that shareholders and duly appointed proxyholders will need the 16-digit control number indicated on the form of proxy

or voting instruction form or the 8-character Appointee Identification Number, as applicable, in order to log on to the Meeting as “Shareholder” or “Proxyholder / Appointee”. Otherwise, they may log on as “Guests”. Please refer to the accompanying Management Information Circular for additional details on how to log on to the Meeting.

Regardless of whether or not shareholders are able to attend the Meeting (or any adjournment thereof) via the live webcast, shareholders are strongly encouraged to complete, date, sign and return the form of proxy or voting instruction form, as applicable, in accordance with the instructions set out on such form and in the accompanying Management Information Circular, or alternatively to vote over the Internet or by telephone, at their discretion, in accordance with the instructions provided on such form and in the Management Information Circular.

In order to be valid for use at the Meeting, proxies must be received no later than 5:00pm (Eastern Time) on May 27, 2022 (or, if the Meeting is adjourned or postponed, by 10:00am (Eastern Time) two (2) business days before the day on which the Meeting is reconvened).

Joliette, Québec, April 29, 2022

By order of the Board of Directors

(s) Kyle Appleby
Mr. Kyle Appleby
Chief Financial Officer and
Corporate secretary

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CANADA COMPUTATIONAL UNLIMITED CORP.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

The information contained in this management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies from registered owners of common shares (the “**Shares**”) of Canada Computational Unlimited Corp. (the “**Corporation**”, “**CCU**”, “**we**,” “**our**” and “**us**,” as the context requires) (and of voting instructions in the case of non-registered owners of Shares) to be used at the annual and special meeting of shareholders of the Corporation (the “**Shareholders**”) to be held on May 31, 2022 at 2pm (Eastern Time) and at all adjournments, thereof (the “**Meeting**”). Registered Shareholders (as defined in this Circular) and duly appointed proxyholders can attend the meeting online at www.virtualshareholdermeeting.com/SATO2022 where they can participate, vote, or submit questions during the meeting’s live webcast. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited in writing or on the phone by our employees. **The solicitation of proxies and voting instructions by this Circular is being made by or on behalf of our management.** The total cost of the solicitation of proxies will be borne by us.

The Corporation shall send the proxy documents to the non-objecting beneficial owners of Shares indirectly through the services of Broadridge Investor Communications Solutions, Canada. The Corporation does not intend to pay for intermediaries to deliver the proxy documents to objecting beneficial owners of Shares. Objecting beneficial owners of Shares will not receive the proxy documents unless the objecting beneficial owner’s intermediary assumes the cost of delivery. Accordingly, if you are a non-registered owner, and the Corporation or its agent has sent the proxy documents directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send the proxy documents to you directly, the Corporation (and not the intermediary holding your securities on your behalf) has assumed responsibility for (i) delivering the proxy documents to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the voting instruction form.

The information contained in this Circular is given as at April 29, 2022, except where otherwise noted.

Shareholders and duly appointed proxyholders can attend the Meeting online by going to www.virtualshareholdermeeting.com/SATO2022.

Appointment of Proxies

The persons named in the enclosed Form of Proxy are the designated proxyholders and are directors of the Corporation. **You have the right to appoint someone else to represent you at the Meeting.** Such person must be present at the Meeting or any adjournment or postponement thereof to represent the Shareholder. A Shareholder who wishes to appoint some other person to represent him, her or it at the Meeting may do so by following the appropriate instructions on the Form of Proxy or on www.proxyvote.com. Registered Shareholders are encouraged to provide voting instructions or appoint a proxyholder online in advance of the meeting at www.proxyvote.com in accordance with the instructions on the form of proxy as this will reduce the risk of any mail disruptions. If preferable, Registered Shareholders (as defined below) may also vote in advance using any of the other voting methods set out in the form of proxy. Registered Shareholders will need the 16-digit control number contained in the form of proxy in order to vote online.

You are encouraged to appoint yourself or such other person (other than the named proxyholders) online at www.proxyvote.com as this will reduce the risk of any mail disruptions in the current environment and will allow you to share the Appointee Information you have created with any other person you have appointed to represent you at the meeting more easily. If you do not designate the appointee information when completing your form of proxy or voting information form or if you do not provide the exact Appointee Identification Number and Appointee Name to any other person (other than the named proxyholders) who has been appointed to access and vote at the meeting on your behalf, that other person will not be able to access the meeting and vote on your behalf. If you prefer, you may also complete and return your Form of Proxy to Broadridge at Data Processing Centre, P.O. Box 3700 STN Industrial Park, Markham, ON, L3R 9Z9.

To be valid, your voting instructions or the appointment of your proxyholder must be provided online at www.proxyvote.com or by mail according with the instructions on the Form of Proxy by no later than 5:00 pm (Eastern Time) on May 27, 2022 (or, if the Meeting is adjourned or postponed, by 10:00 am (Eastern Time) two (2) business days before the day on which the Meeting is reconvened). Broadridge must receive your completed form of proxy or voting instruction form prior to the proxy deadline.

You MUST provide your Appointee the EXACT NAME and EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER to access the Meeting. Appointees can only be validated at the Virtual Shareholder Meeting using the EXACT NAME and EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER you enter. IF YOU DO NOT CREATE AN EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER, YOUR APPOINTEE WILL NOT BE ABLE TO ACCESS THE VIRTUAL MEETING.

Non-Registered Owners

Shareholders whose name appears on the registry of shareholders maintained by Computershare Investor Services Inc. (“**Computershare**”), the Corporation’s transfer agent, are “**Registered Shareholders**”. If your Shares are registered in the name of a depository (such as The Canadian Depository for Securities Limited) or an intermediary (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan), you are a “**Non-Registered Owner**”. There are two kinds of Non-Registered Owners: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or “**OBOs**”; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or “**NOBOs**”.

Non-Registered Owners should note that only proxies deposited by Shareholders whose names are on the record of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. Shares in the name of an intermediary or nominee in which the intermediary is a participant can only be voted at the Meeting upon the instructions of the Non-Registered Owner. Without specific instructions, intermediaries or their nominees are prohibited from voting Shares on behalf of their clients; therefore, unless the voting instructions of the intermediary or its nominee are followed (as described below), Non-Registered Owners cannot be recognized at the Meeting for purposes of voting their Shares in person or by way of proxy.

Applicable regulatory policy in Canada requires intermediaries and their nominees to seek voting instructions from Non-Registered Owners in advance of the Meeting. Every intermediary and nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Owners in order to ensure that their Shares can be voted at the Meeting. Often, the form of proxy supplied to a Non-Registered Owners by his, her or its intermediary is identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Owner. Most intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares and mails a machine-readable voting instruction form in lieu of the form of proxy, and asks Non-Registered Owners to complete and return the voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Shares to be represented at the Meeting or any adjournment or postponement thereof. A Non-Registered Owner receiving a Broadridge voting instruction form cannot use that form to vote Shares directly at the Meeting or any adjournment or postponement thereof. The voting instruction form must be returned to Broadridge in advance of the Meeting in order to have Shares voted.

Although Non-Registered Owners will not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of an intermediary or its nominee, a Non-Registered Owner with a 16-digit control number who has not duly appointed himself or herself as proxyholder may attend the Meeting and ask questions, however, they will not be able to vote. To vote live at the Meeting, a Non-Registered Owner must follow the appropriate instructions on www.proxyvote.com or on the voting instruction form and return it to their intermediary in accordance with the instructions provided by such intermediary well in advance of the Meeting. In other words, a Non-Registered Owner who wishes to appear and vote at the Meeting should be appointed as his, her or its own representative at the Meeting in accordance with the directions of the intermediary.

IF YOU ARE A NON-REGISTERED OWNER AND WISH TO APPEAR AND VOTE AT THE MEETING, PLEASE CONTACT YOUR BROKER OR OTHER INTERMEDIARY WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.

Revocation of Proxy

A registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. **If you are a Non-Registered Shareholder and wish to revoke your proxy or change your voting instruction, please contact your intermediary well in advance of the Meeting to determine how you can do so.** A Registered Shareholder who has given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed in the proxy by providing new voting instructions or appointment information at www.proxyvote.com at a later time or a new form of proxy with a later date. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to the registered office of the Corporation at 66 Wellington Street West, Suite 5300, Toronto, Ontario, M5K 1E6, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment or postponement of the Meeting at which the proxy is to be used.

The document used to revoke a proxy must be in writing and completed and signed by the Registered Shareholder or his or her attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. As well, a Registered Shareholder may also access the Meeting to participate and vote at the Meeting, which will revoke any previously submitted proxy. If a Registered Shareholder has voted on the internet and wishes to change such vote, such Registered Shareholder may vote again through such means no later than 5:00 p.m. (Eastern Time) on May 27, 2022 (or, if the Meeting is adjourned or postponed, by 10:00 am (Eastern Time) two (2) business days before the day on which the Meeting is reconvened).

Voting of Proxies

In connection with any ballot that may be called for, the management representatives designated in the enclosed proxy form, or any other person you may have appointed, will vote or withhold from voting your Shares in accordance with the instructions you have indicated on the proxy and, if you specify a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **In the absence of any direction, your Shares will be voted by the management representatives IN FAVOUR of the election of each director, IN FAVOUR of the appointment of the auditor, IN FAVOUR of the resolution ratifying and confirming the amended and restated stock option plan, IN FAVOUR of the special resolution authorizing the board of directors of the Corporation to amend the articles of the Corporation to change the name of the Corporation, IN FAVOUR of the special resolution authorizing the board of directors to set the number of directors from time to time within the minimum and maximum number of directors set forth in the articles of the Corporation, and IN FAVOUR of ratifying amendments to By-law No. 1 of the Corporation passed by the board of directors on April 26, 2022.**

The designated proxyholders named in the enclosed Form of Proxy accompanying this Circular are conferred with discretionary authority with respect to amendments to or variations of matters identified in the Form of Proxy and the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the designated proxyholders named in the enclosed Form of Proxy to vote in accordance with their best judgment on such matter or business.

Participating at the Meeting

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. Registered Shareholders and duly appointed proxyholders (including Non-Registered Shareholders who have duly appointed themselves as proxyholder) will be entitled to vote at the Meeting. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 2:00pm (Eastern Time) on May 31, 2022.

Non-Registered Owners who have not duly appointed themselves as proxyholders will be able to attend the Meeting and ask questions but will not be able to vote. Guests will be able to attend the Meeting but will not be able to submit

questions, vote their Shares (if any) or otherwise participate in the Meeting. Shareholders will also be able to vote prior to the Meeting by completing their Form of Proxy or voting instruction form, as applicable.

To attend the meeting:

- Shareholders will need the 16-digit control number indicated on the Form of Proxy or voting instruction form in order to log on to the Meeting as a “Shareholder”; or
- Duly appointed proxyholders will need to be provided with an **EXACT NAME and EIGHT CHARACTER APPOINTEE IDENTIFICATION NUMBER** to access the Meeting as a “Proxyholder / Appointee”. Otherwise, they may log on as “Guests”.

The Meeting can be accessed as a Shareholder, “Proxyholder / Appointee” or “Guest” at the following URL: www.virtualshareholdermeeting.com/SATO2022.

If you attend the Meeting online, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow 15 minutes prior to the start of the Meeting to check in online and complete the related procedure.

If you should have any technical difficulties during the check-in process or during the Meeting, please call the technical support number that will be posted on the virtual Meeting log in page accessed at www.virtualshareholdermeeting.com/SATO2022.

Voting

Shareholders are encourage to vote in advance of the meeting at www.proxyvote.com. Even if you currently plan to participate in the virtual meeting, you should consider voting your shares by proxy in advance so that your vote will be counted if you later decide not to attend the Meeting or in the event that you are unable to access the Meeting for any reason.

Registered shareholders may vote in the following ways:

- **By Internet** by visiting www.proxyvote.com and inputting the 16-digital control number indicated on the Form of Proxy or voting instruction form, or online at 2:00 pm (Eastern Time) on May 31, 2022 at www.virtualshareholdermeeting.com/SATO2022;
- **By Mail** by completing, signing, and dating the form of proxy or voting instruction form and returning it by mail in the business reply envelope to: Data Processing Centre, P.O. Box 3700 STN Industrial Park, Markham ON L3R 9Z9;
- **By Telephone** by entering your voting instructions at 1-800-474-7493 (English) or 1-800-474-7501 (French). You will need the 16-digital control number indicated on the Form of Proxy or voting instruction form.

Submitting Questions

Following the Meeting, we will hold a live question and answer session, during which we intend to answer written questions submitted during the Meeting. Only those individuals accessing the Meeting as “Shareholders” and “Proxyholder / Appointees” may submit questions at the Meeting. To ask a question during the Meeting you may write through the live webcast at www.virtualshareholdermeeting.com/SATO2022 after logging-in, type your question into the “Ask a Question” field, and click “Submit”. Individuals accessing the Meeting as “Guests” will not be able to submit questions during the Meeting.

The Chair of the Meeting reserves the right to edit or reject questions he deems profane or otherwise inappropriate. The Chair of the Meeting has broad authority to conduct the Meeting in an orderly manner. To ensure the Meeting is

conducted in a manner that is fair to all Shareholders, the Chair of the Meeting may exercise broad discretion in the order in which questions are asked and the amount of time devoted to any one question.

GENERAL MATTERS

References in this Circular to “dollars”, “C\$” or “\$” are to Canadian dollars. United States dollars are indicated by the symbol “US\$”.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an executive officer of the Corporation nor any proposed nominee for election as a director of the Corporation at any time since the beginning of its last completed financial year, or any associate of any such director, officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of April 29, 2022, the Corporation had 70,782,226 Shares issued and outstanding, being the only class of securities of the Corporation entitled to be voted at the Meeting. Each holder of Shares of record at the close of business on April 29, 2022, the record date established for notice of the Meeting, will be entitled to vote on all matters proposed to come before the Meeting on the basis of one vote for each Share held.

As at April 29, 2022, to the knowledge of our directors and officers, the following person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting shares of the Corporation.

Name	Number of shares held	Percentage
Mathieu Nouzareth	8,325,710	11.76%
Romain Nouzareth	11,079,552	15.65%
True Global Ventures 4 Plus Fund Pte Ltd	9,255,003	13.08%

Presentation of the Financial Statements

The financial statements of the Corporation, for the year ended December 31, 2021 and the auditor’s report thereon, will be presented to the Shareholders at the Meeting, but no vote with respect thereto is required or proposed to be taken. A copy of the financial statements is attached to this circular as Schedule “F”.

Election of Directors

Director Nominees

The articles of the Corporation provide that the Board of Directors of the Corporation (the “**Board**”) shall consist of a minimum of three directors and a maximum of ten directors.

At the Meeting, management of the Corporation will propose that the Board be constituted of **five** directors, all of whom are to be elected annually.

The following table and the notes thereto state the names and places of residence of all persons proposed to be nominated for election as directors of the Corporation, the positions they hold with the Corporation, their principal occupations or employments during the past five years, the year such persons began to serve as directors of the Corporation and the number of Shares beneficially owned or over which control or direction is exercised by each of them as at April 29, 2022. Each director will hold office until the next annual meeting of shareholders or until his or her successor is duly elected, unless prior thereto the director resigns or the director’s office becomes vacant by reason of death or other cause. Upon successful election of all director nominees at the Meeting, it is expected that each member of the committees of the Board as noted below will continue in their respective roles after the Meeting.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of the election of each of the five nominees whose names are set forth hereafter.

Name, Province of State and Country of Residence	Position Held with the Corporation	Principal Occupation during Past Five Years	Director Since	Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽⁴⁾
Dominique Payette ⁽¹⁾⁽²⁾ Québec, Canada	Director	Legal counsel at the National Bank of Canada	September 7, 2021	Nil
Frederick T. Pye ⁽¹⁾⁽²⁾⁽³⁾ Québec, Canada	Director	President and Chief Executive Officer of 3iQ Corp (since September 2012); Co-founder and Director of Stablecorp Inc. (since June 2019)	September 7, 2021	500,000
Frank Di Tomaso ⁽²⁾⁽³⁾ Quebec, Canada	Director	Fellow Chartered Professional Accountant and Corporate Director	September 7, 2021	150,000
Romain Nouzareth New York, United States	Director, Chief Executive Officer, Chairman	Chief Executive Officer of the Corporation; previously CEO of Canada Computational Unlimited Inc.	September 7, 2021 ⁽⁵⁾	11,079,552
Mathieu Nouzareth California, United States	Director	CEO of The Sandbox US (since February 2022); previously Chief Executive Officer of FreshPlanet Inc	September 7, 2021 ⁽⁵⁾	8,326,710

(1) Member of the Compensation Committee.

(2) Member of the Corporate Governance and ESG Committee.

(3) Member of the Audit Committee.

(4) The information as to the number of Shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been furnished by each director individually as of April 29, 2022.

(5) Mathieu Nouzareth and Romain Nouzareth have been directors of CCU Inc. since November 2017.

As at April 29, 2022, as a group, the Corporation's directors and executive officers beneficially owned, directly or indirectly, or exercised control over an aggregate of 20,257,170 Shares of the Corporation representing 28.62% of the outstanding Shares.

Biographies

Dominique Payette, Director

Dominique Payette, LL.B. J.D., LL.M., is a lawyer currently practising technology law and privacy law at the National Bank of Canada, a major Canadian financial institution. She advises on the responsible and ethical deployment of finance technologies such as artificial intelligence, including matters of governance. She is also a proactive advocate for such matters in the finance industry and community at large. Namely, she has participated in several industry-wide publications and roundtables and does pro bono legal work with start-ups, a civil rights association, and graduate students. Ms. Payette holds a Master of Law on the regulation of robo-advisers. She is a published author and public speaker on the topics of robo-advisers, fairness and governance of artificial intelligence, and virtual currency.

Frederick T. Pye, Director

Frederick T. Pye has been the President and Chief Executive Officer of 3iQ Corp., a leading Canadian digital asset fund manager, since July 2012. Mr. Pye has managed private client portfolios with Landry Investment Management and various other investment dealers. Previously, he was Founder, President, and Chief Executive Officer of Argentum Management and Research Corporation, a company dedicated to managing and distributing quantitative investment portfolios, including the first long-short mutual fund in Canada. He was also Senior Vice-President and National Sales Manager at Fidelity Investments Canada. Mr. Pye also held various positions with Guardian Trust Company, which listed the first gold, silver, and platinum certificates on the Montréal Exchange. He holds a Master's Degree in Business Administration from Concordia University.

Romain Nouzareth, CEO and Chairman

Romain Nouzareth is a seasoned tech entrepreneur who co-founded CCU Inc. and has acted as its chief executive officer since its inception in 2017. He co-founded, with his brother Mathieu, Web Concept, one of the first web agencies in France, which was sold to Icon Medialab in 1999. Mr. Nouzareth subsequently co-founded Boonty, a digital distribution platform, which was sold in 2007 to NexWay SA, while a spin off, known as IsCool Entertainment, developed one of the first viral games on Facebook and was listed on the NYSE Euronext before being sold to Hachette of Lagardère Publishing in 2018. Mr. Nouzareth co-founded FreshPlanet Inc., a game studio based in New York, USA, and founded and still serves as chief executive officer of eWORLD Corp., a studio building products for messenger apps, the Facebook Instant Games platform, and for iOS and Android App Stores.

Mathieu Nouzareth, Director

Mathieu Nouzareth is the Chief Executive Officer of The Sandbox US, and was previously the Chief Executive Officer of FreshPlanet Inc. He is a serial entrepreneur with extensive experience in start-up creation, growth initiatives, user acquisition, sales, mobile and web development, and digital assets. Over the last 25 years, he has co-founded five companies, three of which were sold, with one going public.

Frank Di Tomaso, FCPA, FCA, ICD.D, Director

Frank Di Tomaso, FCPA, FCA, ICD.D is a Fellow Chartered Professional Accountant and holds the designation of ICD.D from the Institute of Corporate Directors. He is a Corporate Director and was a Partner and Advisory Partner at Raymond Chabot Grant Thornton LLP whom he joined in 1981, and most recently held the position of Managing Partner Audit – Public Companies until his departure in 2013. He is also a Director of Intertape Polymer Group Inc. and Birks Group Inc., as well as the Laurentian Pilotage Authority. He is engaged both in the business and the social community and is a member of many business associations, not-for-profit organizations, and charitable organizations. In that regard, he received the Award of Distinction from the John Molson School of Business – Concordia University in 2004 in recognition of his outstanding contribution to the World of Business and the community. He was also Director of Professional Inspection of the Ordre des CPA du Québec, the first person to hold this position in Canada.

Shareholding, Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, none of the proposed directors of the Corporation is, as of the date hereof, or within 10 years before the date hereof, has been:

- (a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order 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;
- (b) a director or executive officer of any company (including the Corporation) 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 its assets; or
- (c) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

For the purposes of (a) above, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Corporation, none of the proposed directors of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Appointment of Auditor

At the Meeting, the Shareholders will be asked to approve a resolution to appoint the auditor of the Corporation until the close of the next annual meeting of the Shareholders. Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants has been CCU’s auditor since September 7, 2021. The Board, upon the advice of the Audit Committee, recommends that Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants of Montréal, Québec, be appointed as auditor of the Corporation. The appointment of Raymond Chabot Grant Thornton LLP must be approved by a majority of the votes cast on the matter at the Meeting.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of retaining Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants of Montréal, Québec, as auditor of the Corporation to hold office until the next annual meeting of the Shareholders and to authorize the directors of the Corporation to determine the auditor’s remuneration.

Ratification and Confirmation of the Corporation’s Stock Option Plan

During the Meeting, the Shareholders will be invited to consider and, if deemed advisable, to adopt, with or without amendment, a resolution (the “**Option Plan Resolution**”), the text of which is set out in Schedule “A” to the Circular, to ratify and confirm the amended and restated option plan of the Corporation (the “**Option Plan**”). Amendments to the Option Plan were approved by the shareholders of the Corporation at the annual and special meeting of the shareholders held on July 9, 2021 in connection with the Qualifying Transaction.

In accordance with the Option Plan, the Corporation may grant stock options to purchase a maximum number of the Corporation’s Shares corresponding to 10% of the number of outstanding Shares from time to time. The number of Shares which can be reserved in accordance with the Option Plan automatically increases or decreases according to the increase or decrease of the number of the Corporation’s Shares issued and outstanding. It is therefore considered a rolling plan.

According to the policies of the TSX-V, the Option Plan, qualified as a rolling stock option plan, must be approved by the Shareholders of the Corporation every year during its annual general meeting and is also subject to the approval of the TSX-V. For a summary of the principal terms of the Option Plan, please refer to section “Option Plan” of this Circular.

For informative purposes, as of the date of the Circular, 7,078,222 Shares represented 10% of the outstanding Shares of the capital of the Corporation at such time.

To be validly adopted, the Option Plan Resolution, the text of which is set out in Schedule “A” to the Circular, must be adopted by a simple majority of the votes cast by the Shareholders present or represented by proxyholder at the Meeting. The text of the Option Plan is set out in Schedule “B” to the Circular.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of the Option Plan Resolution.

Change of Name

At the Meeting, the shareholders will be asked to consider a special resolution authorizing the Corporation to file articles of amendment under the OBCA to change the name of the Corporation from “Canada Computational Unlimited Corp.” to “**SATO Technologies Corp.**” or such other name as shall be acceptable to the Board and applicable regulatory authorities (the “**Name Change**”)

The Corporation is pursuing a strategy of expanding its business and is looking at opportunities beyond the borders of Canada. Management believes that the time is appropriate to re-brand the company to reflect its global business focus. The new name builds upon the recognition the Corporation has achieved through its trading symbol on the TSX Venture Exchange, "SATO", while positioning the Corporation broadly as a technology company to reflect the diversified opportunities the Corporation may pursue.

The Board recommends that shareholders vote for the adoption of the special resolution set out in Schedule “C” (the “**Name Change Resolution**”). In order to be effective, the Name Change Resolution must be approved by the affirmative vote of not less than 66 2/3% of the votes cast at the Meeting in respect of such special resolution.

Although Shareholder approval for the Name Change is being sought at the Meeting, the Name Change would become effective at a date in the future to be determined by the Board when it is considered to be in the best interest of the Corporation to implement the Name Change. The Board may determine not to implement the Name Change at any time after the Meeting without further action on the part of or notice to the Shareholders.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of the Name Change Resolution.

Authorization for the Board of Directors to Set the Number of Directors

The Board recommends that shareholders vote for the adoption of the special resolution set out in “Schedule D” (the “**Board Authorization Resolution**”). In order to be effective, the Board Authorization Resolution must be approved by the affirmative vote of not less than 66 2/3% of the votes cast at the Meeting in respect of such special resolution.

Pursuant to section 125(3) of the *Business Corporations Act* (Ontario) (the “**OBCA**”), if the articles provide for a minimum and maximum number of directors, the board of directors may, if a special resolution of the Shareholders provides, set the number of directors to a number in between the minimum and maximum number set out in the articles by way of an ordinary resolution of the board of directors. OBCA 124(2) permits directors to be appointed between meetings to fill a vacancy resultant from an increase in the number of directors between annual meetings to hold office for a term expiring not later than the close of the next annual meeting of the Shareholders, so long as the number of directors appointed in this manner do not exceed one-third of the number of directors elected at the previous annual meeting of the Shareholders.

The Corporation may identify an individual who could make a valuable contribution to the Corporation as a director in between annual meetings of the Shareholders. The adoption of the Board Authorization Resolution would permit the Corporation to capitalize on opportunities to invite individuals to take the position of director without creating a vacancy, as well as providing flexibility for the Corporation to prevent vacancies in the future.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of the Board Authorization Resolution.

Approval of Amendments to By-Law No. 1

The Board recommends that shareholders vote for the approval of a resolution set out in Schedule “E” to amend By-Law No.1 of the Corporation, passed by the board of directors on April 26, 2022 (the “**By-Law Amendment Resolution**”). The board of directors have resolved to amend By-Law No. 1, which regulates the business and affairs of the Corporation. If approved by the Corporation’s Shareholders, the By-Law Amendment Resolution will take effect as of the effective date. The text of the Amended and Restated By-Law No. 1 of the Corporation is attached to this Circular as Exhibit “A” to Schedule “E”.

The Corporation's By-Law No. 1 was adopted on May 7, 2008 and has not been updated since then. The Amended and Restated By-Law No. 1 reflects any legislative changes as well as developments in corporate governance practices since the time By-Law No. 1 was adopted.

Unless authority to vote is withheld, the persons named in the enclosed proxy form intend to vote IN FAVOUR of the By-Law Amendment Resolution.

EXECUTIVE COMPENSATION

All references to "\$" herein are referring to Canadian Dollars, unless otherwise noted.

For the purpose of this 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

"NEO" means: (a) a CEO; (b) a CFO; (c) each of the Corporation's three most highly compensated executive officers, including any of the Corporation's subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, 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 year ended December 31, 2021, the Corporation had three NEOs, namely Romain Nouzareth, the CEO of the Corporation, Kyle Appleby, the CFO of the Corporation, and Fanny Philip, who acted as interim CFO from November 15, 2020 until completion of the Qualifying Transaction.

Basis of Presentation

Canada Computational Unlimited Corp. was incorporated pursuant to the provisions of the OBCA on May 7, 2008, under the name "Capricorn Business Acquisitions Inc.". The Corporation completed its initial public offering on February 26, 2010, and was listed on the TSX-V as a capital pool Corporation ("CPC") on March 9, 2010. Pursuant to the policies of the TSX-V regarding CPCs, the shares of Capricorn were suspended from trading and listed on the NEX tier of the TSX-V from March 12, 2012 until the Corporation completed its Qualifying Transaction on September 7, 2021. On September 7, 2021 upon completion of the Qualifying Transaction, the Corporation changed its name to "Canada Computational Unlimited Corp." and completed a consolidation of its share capital on a basis of one post-consolidation Common Share for every 2.7 common shares outstanding immediately before the consolidation. The Common Shares were listed for trading on the TSX-V under the symbol "SATO" on September 16, 2021.

Prior to the completion of the Qualifying Transaction, the Corporation did not own any assets other than cash and had not conducted any active business operations. Since its incorporation and prior to the Qualifying Transaction, the principal activities of the Corporation consisted of the financing through its initial public offering.

Prior to the completion of the Qualifying Transaction, due to Capricorn's status as a CPC, the Corporation did not pay any compensation to its officers and directors. As the Qualifying Transaction was a reverse takeover of the Corporation, the resulting issuer is a continuation of the business of CCU Inc. (prior to the Qualifying Transaction). Accordingly, this Statement of Executive Compensation includes disclosures relating to the executive compensation paid by CCU Inc. before and after the completion of the Qualifying Transaction.

Certain share options presented in this Statement of Executive Compensation were initially granted in respect of the shares of CCU Inc. prior to the completion of the Qualifying Transaction, at which time such share purchase options were rendered exercisable in respect of the shares of the Corporation. Accordingly, in this Statement of Executive Compensation, the disclosures relating to the value of unexercised in-the-money options and the value vested or earned have been presented only for the period after the completion of the Qualifying Transaction when relevant market data was available for underlying calculations.

Compensation Discussion and Analysis

Interpretation

The NEO's who are the subject of this Compensation Discussion and Analysis are Romain Nouzareth (CEO), Kyle Appleby (CFO) and Fanny Philip, who acted as interim CFO from November 15, 2020 until completion of the Qualifying Transaction. No other individuals fall within the NEO definition during the applicable reporting periods.

Compensation Program Objectives

Following the completion of the Qualifying Transaction, the Corporation established a compensation committee (the "**Compensation Committee**") consisting of Frederic T. Pye (Chair), Dominique Payette and Yvan Routhier. Mr. Pye and Ms. Payette are both independent directors. Mr. Routhier is not considered independent from the Corporation as he acted as President and Chief Executive Officer of Capricorn until completion of the Qualifying Transaction. The Compensation Committee has been mandated to oversee the remuneration policies and practices of the Corporation, establish, review and report on compensation of CCU's executive officers, including those whose compensation is set forth under the heading "Summary of Compensation Table" below, and administer equity-based and certain other compensation.

The Corporation's policy regarding executive compensation has the following objectives:

- to ensure that policies regarding compensation are aligned with the Corporation's business objectives;
- to provide levels of total compensation sufficient to attract and retain effective employees; and
- to ensure that management executives' interests are consistent with the objectives of the Board and the Corporation's shareholders.

Elements of the Compensation Program

The compensation package for the executive officers of the Corporation is principally composed of the following elements:

- base salary and benefits;
- an incentive program that currently takes the form of discretionary bonuses linked to the Corporation's financial and operating performance and other initiatives that enhance the intrinsic value of the Corporation; and
- long-term incentive programs, currently consisting of the Option Plan, as described above.

Purpose of Each Element of the Executive Compensation Program

The base salary and benefits of a NEO are intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration. In addition to a fixed base salary, the incentive program exists to motivate NEOs to achieve short-term goals. The Corporation's Option Plan is intended to provide long-term incentives to the Corporation's officers and employees to advance the Corporation's strategy and execution and to enhance shareholder value. While the specifics of each NEO's compensation plan may be distinctly unique, the intent is to allow a compensation program that is competitive, given similar roles and responsibilities, and considering the specifics of

the business, market and industry. The specific metrics, and targets of each NEO's compensation plan, have so far been developed and set through discussion with the Board; however, with the creation of the Compensation Committee, this process is intended to become more structured over the coming year.

Risks of Compensation Policies and Practices

The Corporation's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk:

- the Corporation's business strategy and related compensation philosophy; and
- the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

Based on this review, the Board believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Option Plan

A number of Common Shares equal to 10% of the issued and outstanding Shares from time to time are reserved for the issuance of stock options pursuant to the Corporation's Option Plan. Amendments to the Option Plan were approved by the shareholders of the Corporation at the annual and special meeting of the shareholders held on July 9, 2021 in connection with the Qualifying Transaction.

To date, option grants have been made on the basis of the number of options currently held, position, overall individual performance, anticipated contribution to the Corporation's future success and the individual's ability to influence corporate and business performance. The purpose of granting such options has been to assist the Corporation in compensating, attracting, retaining and motivating the officers, directors and employees of the Corporation and to closely align the personal interests of such persons to the interest of the shareholders.

The recipients of incentive stock options and the terms of the options granted have been determined from time to time with the oversight and approval of the Board. Wherever possible, the exercise price of the options granted has been determined by the market price at the time of grant.

Share Based and Non-Equity Incentive Plan Compensation

The Corporation has not at any time granted any share-based awards nor has it provided any awards pursuant to a non-equity incentive plan.

Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans

The Corporation currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its NEOs or directors of the Corporation.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The compensation paid to the NEOs and directors during the Corporation's two most recently completed financial years ended December 31, 2021 and 2020, excluding compensation securities, is as set out below and expressed in Canadian dollars unless otherwise noted:

Table of Compensation excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation
Romain Nouzareth, <i>Chairman, CEO and Director</i> ⁽¹⁾	2021	\$250,763	\$190,410	-	-	-	\$441,173
	2020	\$168,725	-	-	-	-	\$168,725 ⁽²⁾
Kyle Appleby <i>CFO</i> ⁽³⁾	2021	\$22,500	-	-	-	-	\$22,500
	2020	-	-	-	-	-	-
Fanny Philip <i>COO</i> ⁽⁴⁾	2021	\$170,000	\$190,410	-	-	-	\$360,410
	2020	\$7,500	-	-	-	-	\$7,500
Dominique Payette ⁽⁵⁾ <i>Director</i>	2021	-	-	\$13,333	-	-	\$13,333
	2020	-	-	-	-	-	-
Frederick T. Pye ⁽⁵⁾ <i>Director</i>	2021	-	-	\$13,333	-	-	\$13,333
	2020	-	-	-	-	-	-
Yvan Routhier ⁽⁶⁾ <i>Director</i>	2021	-	-	\$11,666	-	-	\$11,666
	2020	-	-	-	-	-	-
Mathieu Nouzareth <i>Director</i>	2021	\$57,423	-	\$10,000	-	-	\$67,423 ⁽⁷⁾
	2020	\$57,110	-	-	-	-	\$57,110 ⁽²⁾
Frank Di Tomaso ⁽⁵⁾ <i>Director</i>	2021	-	-	\$13,333	-	-	\$13,333
	2020	-	-	-	-	-	-

Notes:

- (1) During the fiscal year ended December 31, 2021, Romain Nouzareth received compensation in relation to his consulting services as part of his executive position but did not receive any compensation for his role as director.
- (2) During the fiscal year ended December 31, 2020, Romain Nouzareth and Mathieu Nouzareth were the directors of CCU Inc. The directors did not receive any compensation for their roles as directors, however they received compensation from CCU Inc. in relation to their consulting services as part of their executive positions.
- (3) Mr. Appleby was appointed as CFO on September 7, 2021. Mr. Appleby receives his compensation via his consulting company, CFO ADVANTAGE INC.
- (4) Ms. Philip was appointed interim CFO effective on November 15, 2020; then served as VP Finance prior to being appointed COO effective January 1, 2022. Ms. Philip receives her consulting compensation via her consulting company, MTI Conseils Inc.
- (5) Joined the Board on September 7, 2021 in connection with the Qualifying Transaction.
- (6) Mr. Routhier was previously an officer and director of Capricorn.
- (7) Mathieu Nouzareth receives compensation for sitting on the board in accordance with the compensation structure adopted by the board, in addition to his consulting fees.

Stock Options and Other Compensation Securities

The following table sets forth information in respect of all compensation securities granted or issued to each director and NEO by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly to the Corporation or its subsidiaries in the Corporation's most recently completed financial year ended December 31, 2021.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
Romain Nouzareth, <i>Chairman, CEO and Director</i>	Options	Nil	N/A	N/A	N/A	N/A	Nil

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
Kyle Appleby <i>CFO</i>	Options	Nil	N/A	N/A	N/A	N/A	N/A
Fanny Philip <i>COO</i> ⁽¹⁾	Warrants Compensation Warrants	318,218 (0.45%) 311,981 (0.44%)	Jan 4, 2021 May 20, 2021 ⁽²⁾	\$0.01 \$0.38	\$0.19 \$0.19	\$0.93 \$0.93	Jan 4, 2025 May 20, 2025
Dominique Payette <i>Director</i>	Options	Nil	N/A	N/A	N/A	N/A	N/A
Frederick T. Pye <i>Director</i>	Options	Nil	N/A	N/A	N/A	N/A	N/A
Yvan Routhier ⁽³⁾ <i>Director</i>	Options Common Shares	8,888 (0.01%) 70,000 (0.1%) ⁽⁵⁾	Apr 18, 2021 ⁽⁴⁾ Sep 7, 2021	\$0.27 N/A	\$0.19 \$0.19	\$0.93 \$0.93	Sept 7, 2022 N/A
Mathieu Nouzareth <i>Director</i>	Options	Nil	N/A	N/A	N/A	N/A	N/A
Frank Di Tomaso <i>Director</i>	Options	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Ms. Philip was promoted from VP Finance to COO as of January 1, 2022.
- (2) Granted by CCU Inc. and exchanged for options of the Corporation exercisable on the same terms and conditions upon closing of the Qualifying Transaction on September 7, 2021.
- (3) Mr. Routhier is not standing for re-election.
- (4) Granted by Capricorn prior to closing of the Qualifying Transaction and adjusted in accordance with the consolidation of the Corporation's shares in connection with the Qualifying Transaction on September 7, 2021.
- (5) Issued as finder's fee in connection with the Qualifying Transaction.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised compensation securities during the Corporation's most recently completed financial year ended December 31, 2021.

Executive Employment Contracts

Except as otherwise disclosed herein, CCU has not entered into management contracts with any director, officer, employee or consultant. Except as disclosed herein, no management function of CCU or its subsidiaries are performed by a person other than a director or senior officer of CCU. Except as outlined below, there are no compensatory plan(s) or arrangement(s) with respect to any NEO resulting from the resignation, retirement, or any other termination of an officer's employment or from a change of NEO's responsibilities following a change in control.

On June 28, 2019, CCU Inc. entered into a management service agreement with Romain Nouzareth and Mathieu Nouzareth for the services rendered to CCU Inc. This agreement includes professional service fees determined by the board of directors of CCU in its sole discretion; provided that the annual amount paid, if any, shall not exceed (i) US\$49,000 for each Manager, or (ii) US\$200,000 for each Manager from the moment the Corporation reasonably expects such Manager to provide the Services to the Corporation on a full-time basis for a period exceeding three months. This agreement does not include any payments for change of control, severance, termination, or constructive dismissal.

No management functions of CCU are to any substantial degree performed by a person other than the directors or senior officers of CCU.

STATEMENT OF CORPORATE GOVERNANCE

General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Instrument 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary, implement such additional practices as it deems appropriate.

Board of Directors

The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

NI 58-101 suggests that the board of directors of a public Corporation should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could materially interfere or reasonably be perceived to interfere with the director’s ability to act with a view to the best interests of the Corporation, other than interests and relationships arising from shareholding. In addition, where a Corporation has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the Corporation or the significant shareholder.

Romain Nouzareth, Chief Executive Officer, has been determined not to be independent by virtue of his position as an executive officer of the Corporation, Yvan Routhier has been determined to not be independent as he acted as President and Chief Executive Officer of Capricorn until completion of the Qualifying Transaction, and Mathieu Nouzareth has been determined to not be independent by virtue of being a sibling of the Chief Executive Officer.

The responsibilities of the Board, as prescribed by the *Business Corporations Act* (Ontario), are to manage or supervise the management of the business and affairs of the Corporation and to appoint officers of the Corporation and, in doing so, each director must act in accordance with a statutory fiduciary duty to act honestly and in good faith with a view to the best interests of the Corporation and duty to exercise care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In carrying out these responsibilities, the Board oversees the management of the Corporation’s affairs directly and through its various committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Corporation’s overall business strategies, reviewing and approving significant acquisitions; reviewing major strategic initiatives to ensure that the Corporation’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Corporation’s capital resources. The Board also takes responsibility for identifying the principal risks of the Corporation’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Corporation’s development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Corporation grows, the Board may determine it is appropriate to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Corporation, the Board is responsible for the integrity of the Corporation’s internal control and management information systems and for the Corporation’s policies respecting corporate disclosure and communications.

Standing Committees of the Board

The Corporation has an Audit Committee, a Compensation Committee, and a Corporate Governance and ESG Committee.

Audit Committee

The Audit Committee is currently comprised of Frank Di Tomaso (Chair), Frederick T. Pye and Yvan Routhier. Messrs. Di Tomaso and Pye are “independent” within the meaning of National Instrument 52-110 – *Audit Committees*. Mr. Routhier is not considered independent from the Corporation as he acted as President and Chief Executive Officer of Capricorn until completion of the Qualifying Transaction. Each Audit Committee member is “financially literate”, within the meaning of National Instrument 52-110 – *Audit Committees* and possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members. For more information on the Audit Committee, see section “*Audit Committee*” in the AIF.

Compensation Committee

The Compensation Committee is currently comprised of Frederick T. Pye (Chair), Dominique Payette and Yvan Routhier. The Compensation Committee oversees the remuneration policies and practices of the Corporation. For more information on the Compensation Committee and the steps taken to determine compensation for the directors and the CEO, see “*Compensation Discussion and Analysis*”.

Corporate Governance and ESG Committee

The Corporate Governance and ESG Committee is comprised of Dominique Payette (Chair), Frank Di Tomaso and Frederick T. Pye. The Corporate Governance and ESG Committee is responsible for: (i) monitoring and overseeing the quality and effectiveness of the corporate governance practices and policies of the Corporation; (ii) considering nominees for independent directors of the Corporation; (iii) adopting and implementing corporate communication policies and ensuring the effectiveness and integrity of communication and reporting to the Corporation’s shareholders and the public generally; (iv) planning for the succession of directors and executive officers of the Corporation, including appointing, training and monitoring senior management to ensure that the board and management have appropriate skill and experience; and (v) administering the board’s relationship with the management.

Other Public Corporation Directorships

The following members of the Board currently hold directorships in other reporting issuers as set forth below:

Name	Name of Reporting Issuer	Exchange	Position
Frederick T. Pye	Tokens.com	NEO	Director
Frank Di Tomaso	Intertape Polymer Group	TSX	Director and Chair of the Audit Committee
	Birks Group Inc.	NYSE	Director and Chair of the Audit Committee

Orientation and Continuing Education of Board Members

At present, each new director is given an outline of the nature of the Corporation’s business, its corporate strategy, and current issues with the Corporation. In addition, management of the Corporation takes steps to ensure that its directors and officers are regularly updated with respect to its operations, strategic initiatives, and latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole.

Nomination of Directors

The size of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual general meeting of shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

Ethical Business Conduct

The fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest, will ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, relevant securities regulatory instruments impose obligations that help to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any interested director will be required to declare the nature and extent of his or her interest and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

Assessment of Directors, the Board and Board Committees

The Board has begun and intends to continue to monitor the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit Committee, to satisfy itself that the Board, its committees and its individual directors are performing effectively.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes equity securities that have been issued and are available for issuance under the Option Plan as of December 31, 2021:

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 for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	1,697,951	\$0.45	4,989,023
Equity compensation plans not approved by securityholders	-	-	-
Total	1,697,951	\$0.45	4,989,023

Option Plan

The following is a summary of the main provisions of the Option Plan. The text of the Option Plan is set out in Schedule “B” to the Circular.

The purpose of the Option Plan pursuant to which the Corporation may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Option Plan provides an incentive for and encourages ownership of the Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Shares. The Option Plan is administered by the Board or such committee designated by the Board to administer the Option Plan.

The Option Plan is a rolling stock option plan, where the maximum number of Shares issuable pursuant to such plan may not exceed 10% of the issued and outstanding Shares as at the date of grant (on a non-diluted basis). Options that expire unexercised or are otherwise cancelled will be returned to the Option Plan and may be made available for future option grant pursuant to the provisions of the Option Plan.

The eligible participants under the Option Plan are directors, officers, employees, and consultants of the Corporation and any subsidiary of the Corporation (referred to as “Participants” under the Option Plan).

Pursuant to the Option Plan, (i) the maximum number of Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Shares at the date of the grant; (ii) the maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Shares at the date of the grant; and (iii) the maximum number of Shares issued or reserved for issuance to insiders of the Corporation in any 12 month period under the Option Plan and any other security-based compensation arrangements may not exceed 10% of the issued and outstanding Shares at the time of grant, unless disinterested shareholder approval is obtained.

Options may be exercisable for a period of up to 10 years, such period to be determined by the Board. In the event of the retirement, voluntary resignation or termination without cause of an optionee, the Options held by that optionee would be exercisable to acquire unissued Shares that have vested at the time of such retirement, resignation or termination until the earlier of (i) the expiry date of the Options; or (ii) 90 days after the optionee ceases active employment or service as a director, officer, employee or consultant or 30 days for any Participant engaged in Investor Relation Activities.. Notwithstanding the foregoing, the Board may determine, without any further regulatory or shareholder approval, to extend such 90 day period referenced in item (ii) of the foregoing sentence for Participants (excluding those that are engaged in Investor Relations Activities), provided that in no event may such period exceed 12 months following the effective date of such resignation, retirement or delivery of notice of termination. The Option Plan provides that in the event of termination for cause, the options held shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause. Upon death of an optionee, the Options held by such optionee may be exercised until the earlier of (i) the expiry date of the Options; or (ii) one year after the optionee’s death.

The Option Plan provides for a limited extension for Options expiring during or shortly after a blackout period. A blackout period is imposed by the Corporation for good corporate governance reasons during which trading in the Corporation's securities (including exercising options) are prohibited. The Option Plan allows the exercise period of options expiring during or immediately following a blackout period imposed by the Corporation to be extended to the day that is the 10th business day after the expiry of the blackout period.

The Option Plan expressly specifies the amendments that the Board is permitted to make to the Option Plan without shareholder approval, and the amendments that require shareholder approval, as follows:

- The Option Plan allows the Board to make amendments to the Option Plan without having to obtain shareholder approval, including: (i) amendments of a housekeeping nature; (ii) a change to the vesting provisions of an Option or the Option Plan; and (iii) a change to the termination provisions of an Option or the Option Plan which does not entail an extension beyond the earlier of the original expiry date and one year after the effective date of the termination.
- The Option Plan expressly states that shareholder approval is required for the following changes to the Option Plan or options granted under it: (i) any increase to the fixed maximum percentage of Shares issuable under the Option Plan; (ii) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider; (iii) an increase in the maximum number of Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time; (iv) an extension of the term of an Option held by or benefiting an Insider; (v) any change to the definition of “Participants” which would have the potential of broadening or increasing Insider participation; (vi) the addition of any form of financial assistance; (vii) any amendment to a financial assistance provision which is more favourable to Participants; (viii) the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Corporation; and (ix) any other amendments that may lead to significant or unreasonable dilution in the Corporation’s outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders.

The Option Plan provides for accelerated vesting in the event of certain transactions, such as an amalgamation, merger or similar arrangement, a sale of substantially all of the assets, or a Change of Control (as defined in the Option Plan). In the event of such transactions, the Board may exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board determines that the Common Shares subject to any Option shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding will have the right at such time to exercise such Options to the extent specified and permitted by the Board. The Option Plan also provides that whenever the Corporation's shareholders receive a take-over bid under applicable securities laws and the Corporation supports this bid, the Participant may exercise their right to accelerated vesting based on certain time periods.

INFORMATION ON THE AUDIT COMMITTEE

Disclosure with respect to the composition of the Corporation's Audit Committee, the Mandate of the Audit Committee and other disclosure required to be made under National Instrument 52-110 – *Audit Committees* is contained in the Corporation's Annual Information Form filed on April 11, 2022 under the Corporation's profile on the SEDAR website at www.sedar.com.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of April 29, 2022, no executive officer, director, proposed nominee for election as a director or employee, former or present, of the Corporation was indebted to the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the Corporation's knowledge and except as stated below or as otherwise specified in this Circular, no material transaction involving the Corporation or any of its subsidiaries has been entered into since the beginning of the Corporation's most recently completed financial year ended December 31, 2021, or are proposed to be entered into, in which any director or executive officer of the Corporation, or any person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Shares or any director or executive officer of such persons or of any subsidiary of the Corporation or any proposed director of the Corporation and each of their associates or affiliates has had or expects to have a direct or indirect material interest.

MANAGEMENT CONTRACTS

Management functions of the Corporation and its subsidiaries are not, to any degree, performed by a person or persons other than the directors or executive officers of the Corporation or its subsidiaries.

ADDITIONAL INFORMATION

Additional information with respect to the Corporation may be found on SEDAR at www.sedar.com and on the Corporation's website at cci.ai. Copies of the Corporation's financial statements and management discussion and analysis ("MD&A") are available on request from the Secretary of the Corporation or by consulting the SEDAR web site at www.sedar.com. Financial information of the Corporation is provided in its comparative financial statements and MD&A for the Corporation's most recently completed period.

APPROVAL OF THE CIRCULAR

The content and transmission of this Circular have been approved by the Board.

Joliette, Québec, April 29, 2022.

By Order of the Board of Directors

(s) Kyle Appleby
Mr. Kyle Appleby
Chief Financial Officer and
Corporate secretary

**SCHEDULE “A”
OPTION PLAN RESOLUTION**

BE AND IT IS HEREBY RESOLVED:

1. to ratify and confirm the stock option plan (the “**Option Plan**”) of Canada Computational Unlimited Corp. (the “**Corporation**”), the text of which is attached as Schedule “B” to the management information circular of the Corporation dated April 29, 2022; and
2. that any director or officer of the Corporation be, and each of them is hereby authorised and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be executed and delivered all documents, and to take any action which, in such director’s or officer’s own discretion, is necessary or desirable to give effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.

**SCHEDULE “B”
AMENDED AND RESTATED STOCK OPTION PLAN
CANADA COMPUTATIONAL UNLIMITED CORP.
(FORMERLY CAPRICORN BUSINESS ACQUISITIONS INC.)**

1. PURPOSE OF THE PLAN

The purpose of the Plan is to provide the Participants with an opportunity to purchase Common Shares and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

This Plan amends and restates in its entirety the former stock option plan of the Corporation that was last adopted by shareholders of the Corporation on January 10, 2017.

2. DEFINED TERMS

2.1 Where used herein, the following terms shall have the following meanings (all other capitalized terms used and not defined herein shall have the meanings ascribed to them in the TSX Venture Exchange Corporate Finance Manual):

- a) “**Acceleration Right**” means the Participant’s right, in certain circumstances, to exercise its outstanding Option as to all or any of the Common Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Common Shares not otherwise vested at such time;
- b) “**Board**” means the board of directors of the Corporation;
- c) “**Business Day**” means each day other than a Saturday, Sunday or statutory holiday in Ontario, Canada;
- d) “**Change of Control**” means an acquisition by any means (other than a Takeover Bid) by a person or persons acting jointly or in concert of beneficial ownership of such number of Common Shares or rights to Common Shares, which together with such person’s then owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50% of the combined voting right of the then outstanding Common Shares;
- e) “**Common Shares**” means the common shares in the capital of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- f) “**Corporation**” means Capricorn Business Acquisitions Inc., and includes any successor corporation thereof;
- g) “**Exchange**” means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on the TSX Venture Exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- h) “**Exercise Notice**” means the notice in writing signed by the Participant or the Participant’s legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;

- i) “**Expiry Time**” means the time at which the Options will expire, being 4:00 p.m. (Toronto time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;
- j) “**Fair Market Value**” means, for the purposes of sections 4.5 and 9.4 hereof, at any date in respect of the Common Shares, the closing price of the Common Shares as reported by the Toronto Stock Exchange on the last trading day immediately preceding such date or, if the Common Shares are not listed on any stock exchange, a price determined by the Board;
- k) “**Insider**” has the meaning ascribed thereto in the Exchange Corporate Finance Manual;
- l) “**Option**” means an option to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;
- m) “**Option Price**” means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;
- n) “**Participants**” means the directors, officers and employees of, and consultants to, the Corporation or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or a portion thereof remains unexercised;
- o) “**Personal Holding Company**” means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of, or consultant to, the Corporation or its Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;
- p) “**Plan**” means this stock option plan of the Corporation, as the same may be amended or varied from time to time;
- q) “**Subsidiary**” means any corporation that is a subsidiary of the Corporation, as such term is defined under the *Business Corporations Act* (Ontario), as such provision is from time to time amended, varied or re-enacted, or a “related entity” as defined in section 2.22 of National Instrument 45-106; and
- r) “**Take-Over Bid**” has the meaning ascribed thereto in the Securities Act (Ontario), as such provision is from time to time amended, varied or re-enacted.

3. ADMINISTRATION OF THE PLAN

3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: (a) the Participants to whom and the time or times at which the Options will be granted; the number of Common Shares which shall be the subject of each Option; (b) any vesting provisions attaching to the Option; and (c) the terms and provisions of the respective stock option agreements, provided however, that each director, officer, employee or consultant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent and confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange).

3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the “**Committee**”). The Committee shall be comprised of two or

more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.

3.3 The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the “**Administrator**”) the power to determine which Participants are to be granted Options and to grant such Options, the number of Common Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

4. GRANTING OF OPTION

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of this Plan.

4.2 The aggregate number of Common Shares of the Corporation allocated and made available to be granted to Participants under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation as at the date of grant (on a non-diluted basis). Any issuance of Common Shares from treasury pursuant to the exercise of Options shall automatically replenish the number of Common Shares available for Option grants under the Plan. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following restrictions:

- a) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant, other than a consultant, in any 12 month period may not exceed 5% of the Corporation’s total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- b) the aggregate number of Common Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security based compensation arrangements may not exceed 10% of the Corporation’s total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- c) the aggregate number of Options granted to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Corporation’s total issued and outstanding Common Shares, unless disinterested shareholder approval is obtained;
- d) no more than 2% of the total issued and outstanding Common Shares at the time of grant may be granted to any one consultant in any 12 month period; and
- e) no more than an aggregate of 2% of the total issued and outstanding Common Shares at the time of grant may be granted to all persons engaged to conduct Investor Relations Activities in any 12 month period.

4.5 Provided that the Corporation is listed on the Toronto Stock Exchange (the “**TSX**”) and is in compliance with applicable TSX requirements, and subject to tax withholding procedures as determined by the Corporation, the Board may grant Options which allow a Participant to elect to exercise its Option on a “cashless basis”, whereby the Participant, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such

number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the Option and the aggregate exercise price of such Option is divided by (ii) the Fair Market Value of each Common Share. For greater certainty, the Options may not be exercised on a “cashless basis” while the Common Shares are listed on the TSX Venture Exchange.

4.6 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.

4.7 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

5. OPTION PRICE

5.1 Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Common Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Common Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Common Shares, then the Board may base the price on the greater of the closing price and the weighted average price per share for the Common Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange. The weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Common Shares so sold.

5.2 Once the Option Price has been determined by the Board, accepted by the Exchange and the Option has been granted, if the Participant is an Insider, the Option Price may only be reduced if disinterested shareholder approval is obtained; provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

6. TERM OF OPTION

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed ten years from the date of grant. Unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose, or as may be required by the Exchange or under applicable securities law.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with Section 11 hereof or as otherwise provided herein.

6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term, during which a Participant may exercise an Option or a portion thereof.

6.4 In addition to any resale restriction under securities laws, an Option may be subject to a four month Exchange hold period commencing on the date the Option is granted.

6.5 Except in the case of a Participant’s Option that terminates pursuant to section 11.3 below, in the event that the term of any Option expires within or immediately following a “blackout period” imposed by the Corporation, the Option shall expire on the date (the “**Blackout Expiration Date**”) that is ten Business Days following the end of such blackout period. The Blackout Expiration Date shall not be subject to the discretion of the Board.

7. EXERCISE OF OPTION

7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery of the Exercise Notice to the Corporation's principal office. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

7.2 If the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Common Shares on exercise of Options, then the Participant shall:

- a) pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance;
- b) authorize the Corporation, on behalf of the Participant, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Common Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or
- c) make other arrangements acceptable to the Corporation to fund the required tax remittance.

8. ADJUSTMENTS IN SHARES

8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through a re-organization, plan of arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share with respect to: (a) previously granted and unexercised Options or portions thereof; and (b) Options which may be granted subsequent to any such change in the Corporation's capital.

8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

9. ACCELERATED VESTING

9.1 In the event that certain events such as a liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more corporations, as a result of which there is a Change of Control or the Corporation is not the surviving corporation, or the sale by the Corporation of all or substantially all of the property and assets of the Corporation to another corporation prior to the Expiry Time, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or any stock option agreements issued hereunder, exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 An Option may provide that whenever the Corporation's shareholders receive a Take-Over Bid and the Corporation supports this bid, pursuant to which the "offeror" would, as a result of such Take-Over Bid being successful, beneficially own in excess of 50% of the outstanding Common Shares, the Participant may exercise the

Acceleration Right. The Acceleration Right shall commence on the date of the mailing of the Board circular recommending acceptance of the Take-Over Bid and end on the earlier of:

- (a) the Expiry Time; and
- (b) (i) in the event the Take-Over Bid is unsuccessful, the expiry date of the Take-Over Bid; and (ii) in the event the Take-Over Bid is successful, the tenth (10th) day following the expiry date of the Take-Over Bid.

9.3 At the time of the termination of the Acceleration Right, the original vesting terms of the Options shall be reinstated with respect to the Common Shares issuable thereunder which were not acquired by the holders of such Options pursuant to the terms thereof. Notwithstanding the foregoing, the Acceleration Right may be extended for such longer period as the Board may resolve.

9.4 Provided that the Corporation is listed on the TSX and is in compliance with applicable TSX requirements, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the Fair Market Value of the Common Shares to which the Participant would be entitled upon exercise of all unexercised Options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

10. DECISIONS OF THE BOARD

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Corporation who are eligible to participate under the Plan.

11. CEASING TO BE A DIRECTOR, OFFICER, EMPLOYEE OR CONSULTANT

11.1 Subject to the terms of the applicable stock option agreements and subject to sections 11.2, 11.3, 11.4 and 13.2(c) hereof, in the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant or the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after, except as provided below) the earlier of: (a) the Expiry Time; and (b) 90 days (or 30 days for any Participant engaged in Investor Relation Activities) following the effective date of such resignation or retirement or a date that is 90 days (or 30 days for any Participant engaged in Investor Relation Activities) following the date notice of termination of employment is given by the Corporation or a Subsidiary, whether such termination is with or without reasonable notice, subject to such shorter period as may be otherwise specified in the stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever. Notwithstanding the foregoing, the Board may determine, without any further regulatory or shareholder approval, to extend such 90 day period referenced in item (b) of the foregoing sentence for Participants (excluding those that are engaged in Investor Relations Activities), provided that in no event may such period exceed 12 months following the effective date of such resignation, retirement or delivery of notice of termination.

11.2 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.

11.3 Notwithstanding the foregoing, in the event of termination for cause, such Option (including an Option held by a Participant's Personal Holding Company) shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

11.4 In the event of the death of a Participant on or prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.5 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

12. TRANSFERABILITY

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange.

13. AMENDMENT OR DISCONTINUANCE OF PLAN

13.1 The approval of the Board and the requisite approval from the Exchange and the shareholders shall be required for any of the following amendments to be made to the Plan:

- a) any increase to the fixed maximum percentage of Common Shares issuable under the Plan;
- b) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider;
- c) an increase in the maximum number of Common Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time;
- d) an extension of the term of an Option held by or benefiting an Insider;
- e) any change to the definition of "Participants" which would have the potential of broadening or increasing Insider participation;
- f) the addition of any form of financial assistance;
- g) any amendment to a financial assistance provision which is more favourable to Participants;
- h) any amendment allowing (i) the aggregate number of Common Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security based compensation arrangements or (ii) the aggregate number of Options granted to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period, to exceed 10% of the Corporation's total issued and outstanding Common Shares;
- i) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction of the number of underlying securities from the Plan reserve;
- j) the addition of a deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Corporation; and
- k) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders.

13.2 The Board may, without shareholder approval but subject to receipt of requisite approval as required by the Exchange, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subsection 13.1 above including, without limitation:

- a) amendments of a housekeeping nature;
- b) a change to the vesting provisions of an Option or the Plan;
- c) a change to the termination provisions of an Option or the Plan (including determining that any of the provisions of the Plan or any agreement subject to the Plan concerning the effect of termination (for whatever reason) of the Participant's employment, service or consulting agreement/arrangement or cessation of the Participant's directorship or office, shall not apply for any reason acceptable to the Board) which does not entail an extension beyond the earlier of (A) the original expiry date; and (B) one year after the effective date of the termination, in each case except as contemplated in Section 6.5 above; and
- d) provided that the Corporation is listed on the TSX, the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

14. PARTICIPANTS' RIGHTS

14.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

15. APPROVALS

15.1 The Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Corporation.

15.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

16. GOVERNMENT REGULATION

16.1 The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and

- c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

16.2 In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

17. COSTS

The Corporation shall pay all costs of administering the Plan.

18. INTERPRETATION

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

19. COMPLIANCE WITH APPLICABLE LAW

If any provision of the Plan or any Option contravenes any law or any order, policy, bylaw or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**SCHEDULE “C”
NAME CHANGE RESOLUTION**

BE AND IT IS HEREBY RESOLVED, as a special resolution of the shareholders, **THAT**:

1. the Corporation is hereby authorized to file articles of amendment to amend the articles of the Corporation to change the name of the Corporation to “**SATO Technologies Corp.**” or such other name as may be acceptable to the directors of the Corporation and applicable regulatory authorities;
2. any director or officer of the Corporation be and each of them is hereby authorised and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be executed and delivered articles of amendment, in duplicate, to the Director under the *Business Corporations Act* (Ontario) and all documents, and to take any action which, in such director’s or officer’s own discretion, is necessary or desirable to give effect to this special resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions; and
3. notwithstanding the approval of this special resolution by the shareholders of the Corporation, the directors of the Corporation, without further notice to, or approval of, the shareholders of the Corporation, may determine, in their sole discretion, not to proceed with the filing of articles amendments to amend the articles of the Corporation to change the name of the Corporation.

**SCHEDULE “D”
BOARD AUTHORIZATION RESOLUTION**

BE AND IT IS HEREBY RESOLVED, as a special resolution of the shareholders, **THAT:**

1. In accordance with section 125(3) of the *Business Corporations Act* (Ontario), the directors shall be empowered and authorized to determine the number of directors to be elected at annual meetings of the Corporation within the minimum and maximum numbers provided for in the Articles of the Corporation; and
2. any director or officer of the Corporation be, and each of them is hereby authorised and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be executed and delivered all documents, and to take any action which, in such director’s or officer’s own discretion, is necessary or desirable to give effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.

SCHEDULE "E"
BY-LAW NO. 1 AMENDMENT RESOLUTION

BE AND IT IS HEREBY RESOLVED THAT:

1. By-Law No.1 of the Corporation is amended by deleting it in its entirety, and replacing it with the text attached hereto as Exhibit "A"; and
2. any director or officer of the Corporation be, and each of them is hereby authorised and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be executed and delivered all documents, and to take any action which, in such director's or officer's own discretion, is necessary or desirable to give effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.

EXHIBIT "A"

**CANADA COMPUTATIONAL UNLIMITED CORP.
AMENDED AND RESTATED BY-LAW NO. 1**

**ARTICLE 1
INTERPRETATION**

Section 1.1 Definitions.

As used in this by-law, the following terms have the following meanings:

“**Act**” means the *Business Corporations Act* (Ontario) and the regulations under the Act, all as amended, re-enacted or replaced from time to time.

“**Authorized Signatory**” has the meaning specified in Section 2.2.

“**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.

“**Corporation**” means CANADA COMPUTATIONAL UNLIMITED CORP.

“**person**” means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental or regulatory entity, and pronouns have a similarly extended meaning.

“**recorded address**” means (i) in the case of a shareholder or other securityholder, the shareholder’s or securityholder’s latest address as shown in the records of the Corporation, (ii) in the case of joint shareholders or other joint securityholders, the address appearing in the records of the Corporation in respect of the joint holding or, if there is more than one address in respect of the joint holding, the first address that appears, and (iii) in the case of a director, officer or auditor, the person’s latest address as shown in the records of the Corporation or, if applicable, the last notice filed with the Director under the Act, whichever is the most recent.

“**show of hands**” means, in connection with a meeting, a show of hands by persons present at the meeting, the functional equivalent of a show of hands by telephonic or electronic means and any combination of such methods.

Terms used in this by-law that are defined in the Act have the meanings given to such terms in the Act.

Section 1.2 Interpretation.

The division of this by-law into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation. Words importing the singular number include the plural and vice versa. Any reference in this by-law to gender includes all genders. In this by-law the words “including”, “includes” and “include” means “including (or includes or include) without limitation”.

Section 1.3 Subject to Act and Articles.

This by-law is subject to, and should be read in conjunction with, the Act and the articles. If there is any conflict or inconsistency between any provision of the Act or the articles and any provision of this by-law, the provision of the Act or the articles will govern.

**ARTICLE 2
BUSINESS OF THE CORPORATION**

Section 2.1 Financial Year.

The financial year of the Corporation ends on such date of each year as the directors determine from time to time.

Section 2.2 Execution of Instruments and Voting Rights.

Contracts, documents and instruments may be signed on behalf of the Corporation, either manually or by facsimile or by electronic means, (i) by any one director or officer of the Corporation, or (ii) by any other person authorized by the directors from time to time (each person referred to in (i) and (ii) is an “**Authorized Signatory**”). Voting rights for securities held by the Corporation may be exercised on behalf of the Corporation by any one Authorized Signatory. In addition, the directors may, from time to time, authorize any person or persons (i) to sign contracts, documents and instruments generally on behalf of the Corporation or to sign specific contracts, documents or instruments on behalf of the Corporation, and (ii) to exercise voting rights for securities held by the Corporation generally or to exercise voting rights for specific securities held by the Corporation. Any Authorized Signatory, or other person authorized to sign any contract, document or instrument on behalf of the Corporation, may affix the corporate seal, if any, to any contract, document or instrument when required.

As used in this Section, the phrase “contracts, documents and instruments” means any and all kinds of contracts, documents and instruments in written or electronic form, including cheques, drafts, orders, guarantees, notes, acceptances and bills of exchange, deeds, mortgages, hypothecs, charges, conveyances, transfers, assignments, powers of attorney, agreements, proxies, releases, receipts, discharges and certificates and all other paper writings or electronic writings.

Section 2.3 Banking Arrangements.

The banking and borrowing business of the Corporation or any part of it may be transacted with such banks, trust companies or other firms or corporations as the directors determine from time to time. All such banking and borrowing business or any part of it may be transacted on the Corporation’s behalf under the agreements, instructions and delegations, and by the one or more officers and other persons, that the directors authorize from time to time. This paragraph does not limit in any way the authority granted under Section 2.2.

**ARTICLE 3
DIRECTORS**

Section 3.1 Place of Meetings.

Any or all meetings of directors may be held at any place in or outside Canada.

Section 3.2 Calling of Meetings.

The chair of the board, the lead director, if any, the chief executive officer, the president, the corporate secretary or any one or more directors may call a meeting of the directors at any time. Meetings of directors will be held at the time and place as the person(s) calling the meeting determine.

Section 3.3 Regular Meetings.

The directors may establish regular meetings of directors. Any resolution establishing such meetings will specify the dates, times and places of the regular meetings and will be sent to each director.

Section 3.4 Notice of Meeting.

Subject to this section, notice of the time and place of each meeting of directors will be given to each director not less than 48 hours before the time of the meeting. No notice of meeting is required for any regularly scheduled meeting except where the Act requires the notice to specify the purpose of, or the business to be transacted at, the meeting. Provided a quorum of directors is present, a meeting of directors may be held, without notice, immediately following the annual meeting of shareholders.

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person, or any error in any notice not affecting the substance of the notice, does not invalidate any resolution passed or any action taken at the meeting.

Section 3.5 Waiver of Notice.

A director may waive notice of a meeting of directors, any irregularity in a notice of meeting of directors or any irregularity in a meeting of directors. Such waiver may be given in any manner and may be given at any time either before or after the meeting to which the waiver relates. Waiver of any notice of a meeting of directors cures any irregularity in the notice, any default in the giving of the notice and any default in the timeliness of the notice. Attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Section 3.6 Quorum.

A majority of the number of directors in office or such greater or lesser number as the directors may determine from time to time, constitutes a quorum at any meeting of the directors. Where the Corporation has fewer than three directors, all directors must be present at any meeting of directors to constitute a quorum. Notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors.

Section 3.7 Meeting by Telephonic, Electronic or Other Communication Facility.

A director may participate in any meeting by means of a telephonic, electronic or other communication facility. A director participating in a meeting by such means is deemed to be present at the meeting.

Section 3.8 Chair.

If appointed, the chair of the board will preside at directors' meetings and shareholders' meetings in accordance with this Section 3.8 and Section 7.9, respectively. The chair of the board will have such other powers and duties as the directors determine. The chair of any meeting of directors is the first mentioned of the following persons that is a director and is present at the meeting:

- (a) the chair of the board;
- (b) the lead director, if any; or
- (c) the chief executive officer.

If no such person is present at the meeting, the directors present will choose one of their number to chair the meeting.

Section 3.9 Secretary.

The corporate secretary, if any, will act as secretary at meetings of directors. If a corporate secretary has not been appointed or the corporate secretary is absent, the chair of the meeting will appoint a person, who need not be a director, to act as secretary of the meeting.

Section 3.10 Votes to Govern.

At all meetings of directors, every question will be decided by a majority of the votes cast. In case of an equality of votes, the chair of the meeting is not entitled to a second or casting vote.

Section 3.11 Remuneration and Expenses.

The directors may determine from time to time the remuneration, if any, to be paid to a director for his or her services as a director. The directors are also entitled to be reimbursed for travelling and other out-of-pocket expenses properly incurred by them in attending directors' meetings, committee meetings and shareholders' meetings, and in the performance of other duties of directors of the Corporation. The directors may also award additional remuneration to any director undertaking special services on the Corporation's behalf beyond the services ordinarily required of a director by the Corporation.

A director may be employed by or provide services to the Corporation otherwise than as a director. Such a director may receive remuneration for such employment or services in addition to any remuneration paid to the director for his or her services as a director.

**ARTICLE 4
COMMITTEES****Section 4.1 Committees of Directors.**

The directors may appoint from their number one or more committees and delegate to such committees any of the powers of the directors except those powers that, under the Act, a committee of directors has no authority to exercise.

Section 4.2 Proceedings.

Meetings of committees of directors may be held at any place in or outside Canada. At all meetings of committees, every question will be decided by a majority of the votes cast on the question. Unless otherwise determined by the directors, each committee of directors may make, amend or repeal rules and procedures to regulate its meetings including: (i) fixing its quorum, provided that quorum may not be less than a majority of its members; (ii) procedures for calling meetings; (iii) requirements for providing notice of meetings; and (iv) selecting a chair for a meeting.

Subject to a committee of directors establishing rules and procedures to regulate its meetings, Section 3.1 to Section 3.10 inclusive apply to committees of directors, with such changes as are necessary.

**ARTICLE 5
OFFICERS****Section 5.1 Appointment of Officers.**

The directors may appoint such officers of the Corporation as they deem appropriate from time to time. The officers may include any of a chair of the board, a chief executive officer, a president, one or more vice-presidents, a chief financial officer, a chief commercial officer, a chief technical officer, a general counsel, a corporate secretary and a treasurer and one or more assistants to any of the appointed officers. No person may be the chair of the board unless that person is a director.

Section 5.2 Powers and Duties.

Unless the directors determine otherwise, an officer has all powers and authority that are incident to his or her office. An officer will have such other powers, authority, functions and duties that are prescribed or delegated, from time to time, by the directors, or by other officers if authorized to do so by the directors. The directors or authorized officers may, from time to time, vary, add to or limit the powers and duties of any officer.

Section 5.3 Chief Executive Officer.

If appointed, the chief executive officer of the Corporation will have general powers and duties of supervision of the business and affairs of the Corporation. The chief executive officer will have such other powers and duties as the directors determine. Subject to Section 3.9 and Section 7.9, during the absence or disability of the corporate secretary or the treasurer, or if no corporate secretary or treasurer has been appointed, the chief executive officer will also have the powers and duties of the office of corporate secretary and treasurer, as the case may be.

Section 5.4 President.

If appointed, the president of the Corporation will have such other powers and duties as the directors determine.

Section 5.5 Corporate Secretary.

If appointed, the corporate secretary will have the following powers and duties: (i) the corporate secretary will give or cause to be given, as and when instructed, notices required to be given to shareholders, directors, officers, auditors and members of committees of directors; (ii) the corporate secretary may attend at and be the secretary of meetings of directors, shareholders, and committees of directors and will have the minutes of all proceedings at such meetings entered in the books and records kept for that purpose; and (iii) the corporate secretary will be the custodian of any corporate seal of the Corporation and the books, papers, records, documents, and instruments belonging to the Corporation, except when another officer or agent has been appointed for that purpose. The corporate secretary will have such other powers and duties as the directors or the chief executive officer determine.

Section 5.6 Treasurer.

If appointed, the treasurer of the Corporation will have the following powers and duties: (i) the treasurer will ensure that the Corporation prepares and maintains adequate accounting records in compliance with the Act; (ii) the treasurer will also be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; and (iii) at the request of the directors, the treasurer will render an account of the Corporation's financial transactions and of the financial position of the Corporation. The treasurer will have such other powers and duties as the directors or the chief executive officer of the Corporation determine.

Section 5.7 Removal of Officers.

The directors may remove an officer from office at any time, with or without cause. Such removal is without prejudice to the officer's rights under any employment contract with the Corporation.

ARTICLE 6 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

Section 6.1 Limitation of Liability.

Subject to the Act and other applicable law, no director or officer is liable for: (i) the acts, omissions, receipts, failures, neglects or defaults of any other director, officer or employee; (ii) joining in any receipt or other act for conformity; (iii) any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation; (iv) the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation are invested; (v) any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation are deposited; or (vi) any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatever which occurs in the execution of the duties of his or her office or in relation to his or her office.

Section 6.2 Indemnity.

The Corporation will indemnify to the fullest extent permitted by the Act (i) any director or officer of the Corporation; (ii) any former director or officer of the Corporation; (iii) any individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity; and (iv) their respective heirs and legal representatives. The Corporation is authorized to execute agreements in favour of any of the foregoing persons evidencing the terms of the indemnity. Nothing in this by-law limits the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

Section 6.3 Insurance.

The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 6.2 against such liabilities and in such amounts as the directors may determine and as are permitted by the Act.

**ARTICLE 7
SHAREHOLDERS**

Section 7.1 Calling Annual and Special Meetings.

The board of directors (by way of a resolution passed at a meeting where there is a quorum of directors or by way of written resolution signed by all directors entitled to vote thereon) have the power to call annual meetings of shareholders and special meetings of shareholders. Each of the chair of the board, the president, and the chief executive officer may also call meetings of shareholders provided that the business to be transacted at such meeting has been approved by the board of directors. Annual meetings of shareholders and special meetings of shareholders will be held on the date and at the time and place in or outside Ontario as the person(s) calling the meeting determine.

Section 7.2 Electronic Meetings.

Meetings of shareholders may be held by telephonic or electronic means. A shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting is deemed for the purposes of the Act to be present at the meeting. The directors may establish procedures regarding the holding of meetings of shareholders by such means.

Section 7.3 Notice of Meetings.

The time period to provide notice of the time and place of a meeting of shareholders is not less than twenty-one (21) days and not more than fifty (50) days before the meeting.

The accidental omission to give notice of any meeting of shareholders to, or the non-receipt of any notice by, any person, or any error in any notice not affecting the substance of the notice, does not invalidate any resolution passed or any action taken at the meeting.

Section 7.4 Waiver of Notice.

A shareholder, a proxyholder, a director or the auditor of the Corporation and any other person entitled to attend a meeting of shareholders may waive notice of a meeting of shareholders, any irregularity in a notice of meeting of shareholders or any irregularity in a meeting of shareholders. Such waiver may be waived in any manner and may be given at any time either before or after the meeting to which the waiver relates. Waiver of any notice of a meeting of shareholders cures any irregularity in the notice, any default in the giving of the notice and any default in the timeliness of the notice.

Section 7.5 Representatives.

A representative of a shareholder that is a body corporate or an association will be recognized if: (i) a certified copy of the resolution of the directors or governing body of the body corporate or association, or a certified copy of an extract from the by-laws of the body corporate or association, authorizing the representative to represent the body corporate or association is deposited with the Corporation; or (ii) the authorization of the representative is established in another manner that is satisfactory to the corporate secretary or the chair of the meeting.

Section 7.6 Persons Entitled to be Present.

The only persons entitled to be present at a meeting of shareholders are those persons entitled to vote at the meeting, the directors, the officers, the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted with the consent of the chair of the meeting.

Section 7.7 Quorum.

A quorum of shareholders is present at a meeting of shareholders if the holders of not less than 33 1/3% of the shares entitled to vote at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

Section 7.8 Proxies.

A proxy will comply with the applicable requirements of the Act and other applicable law and will be in such form as the directors may approve from time to time or such other form as may be acceptable to the chair of the meeting at which the instrument of proxy is to be used. A proxy will be acted on only if it is deposited with the Corporation or its agent prior to the time specified in the notice calling the meeting at which the proxy is to be used.

Section 7.9 Chair, Secretary and Scrutineers.

The directors may, at any time prior to the time appointed for a meeting of shareholders to commence, appoint any person to act as chair of the meeting or, if the directors do not make such appointment, the chair of the board, if any, will preside as chair of the meeting of shareholders. If there is no chair of the board, or if the chair of the board is not present within thirty minutes after the time appointed for the meeting to commence, or is unwilling to act, the directors present will elect one of director to be chair of the meeting of shareholders.

If no director is present at the meeting, the persons present who are entitled to vote at the meeting will choose a shareholder who is present to chair the meeting.

The corporate secretary, if any, will act as secretary at meetings of shareholders. If a corporate secretary has not been appointed or the corporate secretary is absent, the chair of the meeting will appoint a person, who need not be a shareholder, to act as secretary of the meeting.

If desired, the chair of the meeting may appoint one or more persons, who need not be shareholders, to act as scrutineers at any meeting of shareholders. The scrutineers will assist in determining the number of shares held by persons entitled to vote who are present at the meeting and the existence of a quorum. The scrutineers will also receive, count and tabulate ballots and assist in determining the result of a vote by ballot, and do such acts as are necessary to conduct the vote in an equitable manner. The decision of a majority of the scrutineers will be conclusive and binding upon the meeting and a declaration or certificate of the scrutineers will be conclusive evidence of the facts declared or stated in it.

Section 7.10 Procedure.

The chair of a meeting of shareholders will conduct the meeting and determine the procedure to be followed at the meeting. The chair's decision on all matters or things, including any questions regarding the validity or invalidity of a form of proxy or other instrument appointing a proxy, is conclusive and binding upon the meeting of shareholders.

Section 7.11 Manner of Voting.

Subject to the Act and other applicable law, any question at a meeting of shareholders will be decided by a show of hands, unless a ballot on the question is required or demanded. Subject to the Act and other applicable law, the chair of the meeting may require a ballot or any person who is present and entitled to vote may demand a ballot on any question at a meeting of shareholders. The requirement or demand for a ballot may be made either before or after any vote on the question by a show of hands. A ballot will be taken in the manner the chair of the meeting directs. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. The result of such ballot will be the decision of the shareholders upon the question.

In the case of a vote by a show of hands, each person present who is entitled to vote has one vote. If a ballot is taken, each person present who is entitled to vote is entitled to the number of votes that are attached to the shares which such person is entitled to vote at the meeting.

Section 7.12 Votes to Govern.

Any question at a meeting of shareholders will be decided by a majority of the votes cast on the question unless the articles, the by-laws, the Act or other applicable law requires otherwise. In case of an equality of votes either when the vote is by a show of hands or when the vote is by a ballot, the chair of the meeting is not entitled to a second or casting vote.

Section 7.13 Adjournment.

The chair of any meeting of shareholders may adjourn the meeting from time to time and place to place, subject to such conditions as the chair may decide. Any adjourned meeting is duly constituted if held in accordance with the terms of the adjournment and a quorum is present at the adjourned meeting. No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

ARTICLE 8 ADVANCE NOTICE

Section 8.1 Nomination of Directors.

Subject only to the Act, Section 8.6, Applicable Securities Laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in this Section 8.1 will be eligible for election as directors to the board of the Corporation. Nominations of persons for election to the board may be made for any annual meeting of shareholders, or for any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;

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- (b) by or at the direction or request of one or more shareholders pursuant to a requisition of shareholders made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “**Nominating Shareholder**”):
 - (i) who, at the close of business on the date of the giving of the notice provided for in Section 8.3 below and on the record date for notice of such meeting, is entered in the Corporation’s securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (ii) who complies with the notice procedures set forth in this Article 8.

Section 8.2 Timely Notice.

Subject to any nomination rights that may be granted by the board from time to time, the procedures set out in this Article 8 will be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Corporation. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof (in accordance with Section 8.3 below) in proper written form to the board (in accordance with Section 8.4 below). Notwithstanding any other provision of the by-laws of the Corporation, notice given to the corporate secretary of the Corporation pursuant to this By-law may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and will be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a Business Day or later than 5:00 p.m. (Eastern Time) on a day which is a Business Day, then such delivery or electronic communication will be deemed to have been made on the subsequent day that is a Business Day.

Section 8.3 Manner of Timely Notice.

To be timely, a Nominating Shareholder’s notice to the board must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 days nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) that is the earlier of the date that a notice of meeting is filed for such meeting and the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors of the Corporation (whether or not called for such purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting and the date on which the first public announcement of the date of the special meeting of shareholders was made.

In no event will any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described in Section 8.3(a) or Section 8.3(b), as applicable.

Section 8.4 Proper Form of Notice.

To be in proper written form, a Nominating Shareholder's notice to the board must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a **"Proposed Nominee"**):
 - (i) the name, age, business address and residential address of the person;
 - (ii) the principal occupation or employment of the person for the past five years;
 - (iii) the status of the person as a "resident Canadian" (as such term is defined in the Act);
 - (iv) a written consent of the Proposed Nominee to act as a director of the Corporation in the form provided by the corporate secretary of the Corporation;
 - (v) the designation and number or principal amount of securities of the Corporation which are, directly or indirectly, controlled or directed or which are owned beneficially or of record by the Proposed Nominee or his or her associates or affiliates as of the record date for the meeting of shareholders (if such date has been made publicly available and has occurred) and as of the date of such notice;
 - (vi) full particulars regarding any contract, agreement, arrangement, understanding or relationship (collectively, **"Arrangements"**), including financial, compensation and indemnity related Arrangements, between the Proposed Nominee or any associate or affiliate of the Proposed Nominee and any Nominating Shareholder or any of its Representatives; and
 - (vii) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
- (b) as to the Nominating Shareholder giving the notice:
 - (i) the name, age, business address and, if applicable, residential address of such Nominating Shareholder;
 - (ii) the designation and number or principal amount of securities of the Corporation which are, directly or indirectly, controlled or which are owned beneficially or of record by such Nominating Shareholder, such beneficial owner, if any, or any of their respective Representatives and the date or dates on which such securities were acquired;
 - (iii) full particulars of any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, or any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including, without limitation, due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right will be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the shareholder of record, the beneficial owner, if any, or any of their respective Representatives, may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of any class or series of shares of the Corporation (any of the foregoing, a **"Derivative Instrument"**) directly or indirectly owned beneficially or of record by such Nominating Shareholder, the beneficial owner, if any, or any of their respective Representatives;

- (iv) full particulars of any proxy, contract, arrangement, understanding, or relationship pursuant to which any such Nominating Shareholder, beneficial owner, if any, or any of their respective Representatives has a right to vote, or direct the voting of, any class or series of shares of the Corporation or otherwise relating to the voting of any securities of the Corporation or the nomination of any person to the board;
- (v) full particulars of any agreement, arrangement, understanding, relationship or otherwise, including, without limitation, any repurchase or similar so-called “stock borrowing” agreement or arrangement, involving such Nominating Shareholder, beneficial owner, if any, or any of their respective Representatives directly or indirectly, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Nominating Shareholder, beneficial owner, if any, or any of their respective Representatives with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the Corporation (any of the foregoing, a “**Short Interest**”);
- (vi) full particulars of any rights to dividends with respect to any class or series of shares of the Corporation owned beneficially by such Nominating Shareholder, beneficial owner, if any, or any of their respective Representatives that are separated or separable from the underlying shares of the Corporation;
- (vii) full particulars of any proportionate interest in any class or series of shares of the Corporation or any Derivative Instrument held, directly or indirectly, by a general or limited partnership in which any such Nominating Shareholder, beneficial owner, if any, or any of their respective Representatives is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership;
- (viii) full particulars of any performance-related fees (other than an asset-based fee) to which any such Nominating Shareholder or beneficial owner, if any, is entitled based on any increase or decrease in the value of any class or series of shares of the Corporation or any Derivative Instrument, including, without limitation, any such fee, to which the respective Representatives of the Nominating Shareholder or beneficial owner, if any, is entitled;
- (ix) full particulars of any direct or indirect interest, including, without limitation, equity interests or any Derivative Instrument or Short Interest, in any principal competitor of the Corporation held by such Nominating Shareholder, beneficial owner, if any, or any of their respective Representatives;
- (x) full particulars of any direct or indirect interest of such Nominating Shareholder, beneficial owner, if any, or any of their respective Representatives in any contract, arrangement, understanding or relationship with the Corporation, any affiliate of the Corporation, any of the directors or officers of the Corporation or any of its affiliates, or with the Nominating Shareholder, such beneficial owner, if any, or any of their respective Representatives, or with any competitor or material supplier of the Corporation (including, without limitation, in any such case, any employment agreement, collective bargaining agreement or consulting agreement;
- (xi) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting and intends to appear in person or by proxy at the applicable shareholders meeting to propose such nomination;
- (xii) a representation of whether either such Nominating Shareholder or beneficial owner, if any, alone or acting jointly or in concert with others, intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit or participate in the solicitation of proxies from shareholders of the Corporation in support of the nomination; and

- (xiii) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to Applicable Securities Laws.

The Corporation may require any Proposed Nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as an independent director, that would be required by any stock exchange on which the Corporation's securities are then listed or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Proposed Nominee.

All information to be provided in a timely notice pursuant to Section 8.3 above will be provided as of the record date for determining shareholders entitled to vote at the meeting (if such date has been publicly announced) and as of the date of such notice. The Nominating Shareholder will update such information forthwith if there are any material changes in the information previously disclosed so that the information provided or required to be provided in such notice will be true and correct as of the date that is ten days prior to the date of the meeting, or any adjournment or postponement thereof.

Section 8.5 Determination of Eligibility; Attendance at the Meeting; No Obligation to Disclose.

Subject to Section 8.6, no person will be eligible for election as a director of the Corporation unless such person has been nominated in accordance with the provisions of this Article 8; provided, however, that nothing in this Article 8 will be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the Act. The chair of the meeting will have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination will be disregarded. Notwithstanding any other provision of this By-law, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination, such nomination will be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation. Nothing in this By-law will obligate the Corporation or the board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or the board any information with respect to any proposed nomination or any Nominating Shareholder or proposed nominee.

Section 8.6 Waiver.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 8.

Section 8.7 Terms.

For the purposes of this Article 8:

“**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada and the federal securities legislation of the United States, each as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;

“**public announcement**” means disclosure in a press release reported by a national news service in the United States or Canada, or in a document publicly filed by the Corporation under its profile on EDGAR at www.sec.gov/edgar/search-and-access or the System of Electronic Document Analysis and Retrieval at www.sedar.com, as applicable; and

“**Representatives**” of a person means the affiliates and associates of such person, all persons acting jointly or in concert with any of the foregoing, and the affiliates and associates of any of such persons acting jointly or in concert, and “**Representative**” means anyone of them.

ARTICLE 9 SECURITIES

Section 9.1 Form of Security Certificates.

Subject to the Act, security certificates, if required, will be in the form that the directors approve from time to time or that the Corporation adopts.

Section 9.2 Transfer of Shares.

Subject to the rules of any stock exchange on which the Corporation’s shares are posted or listed for trading, no transfer of a security issued by the Corporation will be registered except upon (i) presentation of the security certificate representing the security with an endorsement which complies with the Act, together with such reasonable assurance that the endorsement is genuine and effective as the directors may require, (ii) payment of all applicable taxes and fees and (iii) compliance with the articles of the Corporation. If no security certificate has been issued by the Corporation in respect of a security issued by the Corporation, clause (i) above may be satisfied by presentation of a duly executed security transfer power, together with such reasonable assurance that the security transfer power is genuine and effective as the directors may require.

Section 9.3 Transfer Agents and Registrars.

The Corporation may from time to time appoint one or more agents to maintain, for each class or series of securities issued by it in registered or other form, a central securities register and one or more branch securities registers. Such an agent may be designated as transfer agent or registrar according to their functions and one person may be designated both registrar and transfer agent. The Corporation may at any time terminate such appointment.

ARTICLE 10 PAYMENTS

Section 10.1 Payments of Dividends and Other Distributions.

Any dividend or other distribution payable in cash to shareholders will be paid by cheque or by electronic means or by such other method as the directors may determine. The payment will be made to or to the order of each registered holder of shares in respect of which the payment is to be made. Cheques will be sent to the registered holder’s recorded address, unless the holder otherwise directs. In the case of joint holders, the payment will be made to the order of all such joint holders and, if applicable, sent to them at their recorded address, unless such joint holders otherwise direct. The sending of the cheque or the sending of the payment by electronic means or the sending of the payment by a method determined by the directors in an amount equal to the dividend or other distribution to be paid less any tax that the Corporation is required to withhold will satisfy and discharge the liability for the payment, unless payment is not made upon presentation, if applicable.

Section 10.2 Non-Receipt of Payment.

In the event of non-receipt of any payment made as contemplated by Section 10.1 by the person to whom it is sent, the Corporation may issue re-payment to such person for a like amount. The directors may determine, whether generally or in any particular case, the terms on which any re-payment may be made, including terms as to indemnity, reimbursement of expenses, and evidence of non-receipt and of title.

Section 10.3 Unclaimed Dividends.

To the extent permitted by law, any dividend or other distribution that remains unclaimed after a period of six years from the date on which the dividend has been declared to be payable is forfeited and will revert to the Corporation.

**ARTICLE 11
FORUM SELECTION****Section 11.1 Forum of Adjudication of Certain Disputes.**

Unless the Corporation consents in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada and the appellate Courts therefrom, will, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Corporation; (ii) any action or proceeding asserting breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the Act, or the Corporation's articles or bylaws (as the same may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the Corporation's "affairs" (as such term is defined in the Act). If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a Court other than a Court located within the Province of Ontario (a "**Foreign Action**") in the name of any securityholder, such securityholder will be deemed to have consented to: (i) the personal jurisdiction of the provincial and federal Courts located within the Province of Ontario in connection with any action or proceeding brought in any such Court to enforce the preceding sentence; and (ii) having service of process made upon such securityholder in any such action or proceeding by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder. For the avoidance of doubt, this Article 11 will not apply to any action brought to enforce a duty or liability created by the U.S. Securities Act of 1933, as amended, or the U.S. Securities Exchange Act of 1934, as amended. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the U.S. Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation will be deemed to have notice of and consented to the provisions of this Article 11.

**ARTICLE 12
MISCELLANEOUS****Section 12.1 Notices.**

Any notice, communication or document required to be given, delivered or sent by the Corporation to any director, officer, shareholder or auditor is sufficiently given, delivered or sent if delivered personally, or if delivered to the person's recorded address, or if mailed to the person at the person's recorded address by prepaid mail, or if otherwise communicated by electronic means permitted by the Act. The directors may establish procedures to give, deliver or send a notice, communication or document to any director, officer, shareholder or auditor by any means of communication permitted by the Act or other applicable law. In addition, any notice, communication or document may be delivered by the Corporation in the form of an electronic document.

Section 12.2 Notice to Joint Holders.

If two or more persons are registered as joint holders of any security, any notice may be addressed to all such joint holders but notice addressed to one of them constitutes sufficient notice to all of them.

Section 12.3 Computation of Time.

In computing the date when notice must be given when a specified number of days' notice of any meeting or other event is required, the date of giving the notice is excluded and the date of the meeting or other event is included.

Section 12.4 Persons Entitled by Death or Operation of Law.

Every person who, by operation of law, transfer, death of a securityholder or any other means whatsoever, becomes entitled to any security, is bound by every notice in respect of such security which has been given to the securityholder from whom the person derives title to such security. Such notices may have been given before or after the happening of the event upon which they became entitled to the security.

**ARTICLE 13
EFFECTIVE DATE**

Section 13.1 Effective Date.

This by-law comes into force when made by the directors in accordance with the Act.

Section 13.2 Repeal.

All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal will not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under any such by-law prior to its repeal.

SCHEDULE "F"
FINANCIAL STATEMENTS

See attached Audited Consolidated Financial Statements for the years ended December 31, 2021 and 2020, including the Independent Auditor's report thereon, together with the accompanying Management's Discussion and Analysis.

**Canada Computational Unlimited Corp.
(formerly Capricorn Business Acquisitions Inc.)**

**Consolidated Financial Statements
December 31, 2021 and 2020**

(expressed in Canadian dollars)

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Independent Auditor's Report

To the Shareholders of
Canada Computational Unlimited Inc.

Raymond Chabot
Grant Thornton LLP
Suite 2000
National Bank Tower
600 De La Gauchetière Street West
Montréal, Quebec
H3B 4L8

T 514-878-2691

Opinion

We have audited the consolidated financial statements of Canada Computational Unlimited Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at December 30, 2021 and 2020, and the consolidated statements of income (loss) and comprehensive income (loss), the consolidated statements of cash flows and the consolidated statements of changes in shareholders' equity for the years then ended, and notes to 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 financial position of the Company as at December 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit 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 Company in accordance with the ethical requirements that are relevant to our audit 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.

Material uncertainty related to going concern

We draw attention to Note 1 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the consolidated financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, 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 in this auditor's report. 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 (IFRS), 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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 Louis Roy.

Raymond Chabot Grant Thornton LLP¹

Montréal
March 10, 2021

¹ CPA auditor, CA public accountancy permit no. A125741

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Consolidated Statements of Financial Position

as at December 31, 2021 and 2020

(In Canadian dollars)

		December 31, 2021	December 31, 2020
		\$	\$
Assets			
Current assets			
Cash		794,324	294,025
Trades and other receivables	(Note 6)	500,196	95,405
Digital assets	(Note 7)	3,254,131	653,882
Deposits and prepaid expenses	(Note 5)	547,264	63,296
		5,095,915	1,106,608
Non-current assets			
Property, plant and equipment	(Note 8)	5,869,080	1,699,721
Intangible assets	(Note 9)	65,593	-
Right-of-use assets	(Note 10)	1,248,111	245,635
Deposits and prepaid expenses	(Note 5)	223,987	73,614
Total assets		12,502,686	3,125,578
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	(Note 11)	2,968,335	165,880
Deferred revenue and customer deposits		308,096	-
Current portion of borrowings	(Note 12)	40,699	1,706,978
Current portion of lease liability	(Note 10)	210,000	57,100
		3,527,130	1,929,958
Non-current liabilities			
Borrowings	(Note 12)	47,323	137,322
Deferred tax liabilities		10,026	-
Lease liability	(Note 10)	1,096,631	223,801
Total liabilities		4,681,110	2,291,081
Shareholders' equity			
Share capital	(Note 13)	10,796,628	2,843,269
Contributed surplus		1,102,246	355,354
Digital currency revaluation reserve		174,391	157,894
Accumulated deficit		(4,251,689)	(2,522,020)
Total Shareholders' equity		7,821,576	834,497
Total liabilities and shareholders' equity		12,502,686	3,125,578

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

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

		2021	2020
Revenue			
Digital assets mined	(Note 7)	4,417,383	1,680,650
Hosting		1,592,909	143,439
Other		108,128	36,000
		<u>6,118,420</u>	<u>1,860,089</u>
Cost of revenue			
Site operating costs		2,247,291	1,069,454
Salary and benefits		233,393	77,463
Share based payments	(Note 13)	250,315	17,823
Depreciation and amortization	(Note 8, 9 and 10)	819,915	837,067
		<u>3,550,914</u>	<u>2,001,807</u>
Gross profit (loss)		2,567,506	(141,718)
Gain on use of digital assets	(Note 7)	252,320	363,658
Revaluation of digital assets	(Note 7)		94,608
		<u>2,819,826</u>	<u>316,548</u>
Expenses			
Professional fees		487,956	166,510
General and administration	(Note 14)	1,756,690	293,875
Loss on disposal of property, plant and equipment			41,649
Insurance reimbursement			<u>(24,039)</u>
		<u>2,244,646</u>	<u>477,995</u>
Operating income (loss)		575,180	(161,447)
Other charges (income)			
Foreign exchange loss (gain)		(4,480)	14,223
Unrealized foreign exchange loss		28,490	
Finance expense	(Note 12)	513,894	679,754
Listing costs expended	(Note 4)	1,048,725	
Others listing expenses		709,247	
Finder's fees	(Note 4)	520,600	
Loss (gain) on loans payable	(Note 12)	(515,704)	
		<u>2,300,772</u>	<u>693,977</u>
Loss before income taxes		(1,725,592)	(855,424)
Deferred income taxes		4,077	
Net loss		(1,729,669)	(855,424)
Other comprehensive income			
Items that will not be reclassified to net income			
Revaluation of digital asset, net of tax	(Note 7)	16,497	157,894
Total comprehensive loss		(1,713,172)	(697,530)
Basic net loss per share			
		(0.03)	(0.34)
Diluted net loss per share			
		(0.03)	(0.34)
Total weighted average number of common shares issued	(Note 13)	66,869,748	2,500,189

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

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

	Common shares	Share capital	Contributed surplus	Digital asset revaluation reserve	Accumulated surplus (Deficit)	Total
		\$	\$	\$	\$	\$
Balance as at December 31, 2020	2,500,189	2,843,269	355,354	157,894	(2,522,020)	834,497
Net loss for the year					(1,729,669)	(1,729,669)
Issuance of shares and warrants from the concurrent private placement (Note 4)	8,639,804	3,474,124	845,778			4,319,902
Common shares and options deemed to be issued on reverse takeover (Note 4)	51,524,230	1,002,807	52,738			1,055,545
Issuance of shares for finder's fees	1,041,200	520,600				520,600
Common shares deemed to be issued following the election to exercise warrants and stock options	3,164,325	2,955,828	(620,659)			2,335,169
Revaluation of digital assets, net of tax				16,497		16,497
Stock-based compensation expense (Note 13)			250,315			250,315
Issuance of warrants (Note 13)			218,720			218,720
Balance as at December 31, 2021	66,869,748	10,796,628	1,102,246	174,391	(4,251,689)	7,821,576
Balance as at December 31, 2019	2,500,189	2,843,269	337,531		(1,666,596)	1,514,204
Net loss for the year					(855,424)	(855,424)
Revaluation of digital assets, net of tax				157,894		157,894
Stock-based compensation expense (Note 13)			17,823			17,823
Balance as at December 31, 2020	2,500,189	2,843,269	355,354	157,894	(2,522,020)	834,497

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

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Consolidated Statement of Cash Flows

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

	2021	2020
	\$	\$
Operating activities		
Net loss	(1,729,669)	(855,424)
Change in non-cash operating items:		
Digital asset mined	(4,417,383)	(1,680,650)
Digital asset disposed	3,380,960	1,927,372
Digital asset acquired	(1,295,476)	-
Digital asset used to repay loans payable	(1,653,155)	-
Digital asset used to purchase property, plant and equipment	3,208	69,709
Depreciation and amortization	819,915	837,067
Unrealized foreign exchange loss	28,490	-
Gain on use of digital assets	(252,320)	(363,658)
Loss (gain) on loans payable	(515,704)	-
Revaluation of digital assets	-	(150,474)
Loss on disposal of property, plant and equipment	-	41,649
Deferred income taxes	4,077	-
Share based payments	250,315	17,823
Subsidy on Emergency Loan for Canadian Business	-	(10,000)
Interest expense on loans payables	452,080	321,667
Interest on lease liabilities	59,428	37,811
Finder's fees	520,600	-
Listing costs expended	1,048,725	-
	<u>(3,295,909)</u>	<u>192,892</u>
Change in working capital		
Trades and other receivables	(404,791)	147,121
Deposits and prepaid expenses	(421,164)	-
Accounts payable and accrued liabilities	1,297,457	10,933
Deferred revenue and customer deposits	308,096	-
Total change in operating working capital	<u>779,598</u>	<u>158,054</u>
Net cash provided by (used in) operating activities	<u>(2,516,311)</u>	<u>350,946</u>
Investing activities		
Purchase of property, plant and equipment	(3,423,088)	(261,340)
Development of intangible assets	(77,586)	-
Disposal of property, plant and equipment	-	55,996
Deposits and prepaid expenses	(212,706)	(42,332)
Net cash provided by (used in) investing activities	<u>(3,713,380)</u>	<u>(247,676)</u>

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Consolidated Statement of Cash Flows

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

	2021	2020
	\$	\$
Financing activities		
Emergency Loan for Canadian Business	-	40,000
Issuance of borrowing	-	120,021
Cash acquired through the reverse takeover	29,111	
Repayment of note payable	(39,499)	(22,500)
Issuance of shares and warrants	4,538,622	-
Exercise of warrants and stock options	2,335,169	-
Lease payments	(104,923)	(55,980)
Net cash provided by (used in) financing activities	6,758,480	81,541
Increase in cash	528,789	184,811
Cash, beginning of year	294,025	109,214
Effect of exchange rate changes on cash	(28,490)	-
Cash, end of year	794,324	294,025
Supplemental information		
Significant non-cash transactions included		
- All transactions related to the loans payable in 2021 and 2020 are in bitcoin (Note 12)		
Interest paid	\$61,814	\$39,743

The accompanying notes are an integral part of these condensed financial statements

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

1 INCORPORATION, BUSINESS ACTIVITIES AND GOING CONCERN

Canada Computational Unlimited Corp. (the "Company" or "SATO") was incorporated under the Ontario Business Corporations Act on May 7, 2008 as Capricorn Business Acquisitions Inc. ("Capricorn"). The Company's head office is located at 66 Wellington Street West, Suite 5300, Toronto, Ontario M5K 1E6 and its only place of business is located at 289 Dugas Joliette, Québec, Canada, J6E 4H1.

Canada Computational Unlimited Inc. was incorporated under the Business Corporations Act of Québec on November 16, 2017. The Company's head office and only place of business is located at 289 Dugas Joliette, Québec, Canada, J6E 4H1.

On May 25, 2021, Capricorn entered into an arrangement agreement with Canada Computational Unlimited Inc. ("CCU"), whereby Capricorn agreed to acquire all of the issued and outstanding shares of CCU (the "Transaction"). The Transaction closed on September 7, 2021 in exchange of the issuance of common shares of Capricorn (Note 4).

Following the closing of the Transaction, Capricorn changed its name to Canada Computational Unlimited Corp.

On September 7, 2021, a reverse takeover transaction (the "RTO Transaction") between Capricorn Business Acquisitions Inc., Canada Computational Unlimited Inc. was completed (Note 4). On completion of the RTO Transaction, Canada Computational Unlimited Inc. was determined to be the accounting acquirer and accordingly, the financial statements are a continuation of Canada Computational Unlimited Inc.

The Company carried on the business of Canada Computational Unlimited Inc. as a Tier 2 technology issuer under the symbol "SATO". The Company's shares were listed for trading on the TSX Venture Exchange ("TSXV") September 16, 2021. The Company is in the business of utilizing specialized equipment to solve complex computational problems to validate transactions on the bitcoin blockchain and other. The Company receives digital assets in return for successful service.

The Company is primarily engaged in the cryptocurrency mining industry, a highly volatile market with significant inherent risk. A significant decline in the market prices of cryptocurrencies, an increase in the difficulty of cryptocurrency mining, changes in the regulatory environment and adverse changes in other inherent risks can significantly and negatively impact the Company's operations. In addition, adverse changes to the factors mentioned above may impact the carrying value of the Company's property, plant and equipment resulting in impairment charges being recorded. All the assets of the Company's are located in Joliette, Quebec, Canada and have one operating segment being the cryptocurrency mining.

COVID-19

In March 2020, the World Health Organization declared COVID-19 a pandemic. The global response to the pandemic is constantly evolving, including various measures implemented at the global, national, provincial and local levels. The major impacts that COVID-19 are expected to have on the Company include potential increases in cryptocurrency price volatility and delays in receiving future orders of mining hardware and electrical components for future expansion.

The company has been operating, and is expected to continue operating, throughout the pandemic.

Going Concern

As at December 31, 2021, the Company had an accumulated deficit of \$4,251,689 and \$2,522,020 as at December 31, 2020. Net loss for the year ended December 31, 2021 was \$1,729,669, net loss for the year ended December 31, 2020 was \$855,424. The Company had a working capital surplus of \$1,568,785 as at December 31, 2021 and a working capital deficiency of \$823,350 as at December 30, 2020. These conditions raise material uncertainties which may cast significant doubt as to whether the Company will be able to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern, namely its ability to generate sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting year, is dependent upon its ability to arrange future financing, which is largely dependent upon prevailing capital market conditions, continued support of its shareholder base and achieving positive cash flows from operations. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

2 STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements of the Company were reviewed, approved and authorized for issue by the Board of Directors on March, 10 2022.

Basis of presentation

These consolidated financial statements have been prepared on an accrual basis and under the historical cost basis, except for some financial instruments that have been measured at fair value.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Canada Computational Unlimited Inc.

A subsidiary is an entity which the Company has control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is acquired and de-consolidated from the date that control ceases.

The financial statements of the subsidiary are prepared for the same reporting year as the Company, using consistent accounting policies. All intercompany transactions and balances are eliminated upon consolidation.

3 SIGNIFICANT ACCOUNTING POLICIES

Functional currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at exchange rates in effect at the reporting date. Non-monetary assets and liabilities are translated at historical exchange rates at the respective transaction dates. Revenue and expenses are translated at the rate of exchange at each transaction date. Gains or losses on translation are included in foreign exchange.

Revenue recognition

Digital asset mining

The Company recognizes revenue from the transaction verification services within digital asset networks, commonly termed "cryptocurrency mining". As consideration for these services, the Company receives digital assets from each specific cryptocurrency mining pool in which it participates. Revenue is measured based on the fair value of the digital assets received. The fair value is determined using the spot price of the digital assets on the date of receipt. Digital assets are considered earned on the completion and addition of a block to the blockchain, at which time the benefit is received and can be reliably measured.

Hosting

The Company has also entered into hosting contracts where it operates third parties own mining equipment within its facilities. Revenue from hosting contracts is measured as the Company meets its obligation of operating the hosted equipment as per contract arrangement.

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Digital assets

Digital assets consist of Bitcoin and other cryptocurrencies. Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. They are initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Where digital assets are recognized as revenue, the fair value of the digital asset received is considered to be the cost of the digital assets. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. The Company revalues its digital assets at the end of each quarter. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income are recorded in other comprehensive income. Gains and losses on digital assets sold between revaluation dates are included in profit or loss.

Digital assets are measured at fair value using the quoted price on Cryptocompare. Cryptocompare is a pricing aggregator, as the principal market or most advantageous market is not always known. The Company believes any price difference amongst the principal market and an aggregated price to be immaterial. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital asset exchanges.

Non-monetary transactions

Where the Company is settling a liability for the purchase of goods and services where the price was established in a fiat currency, the difference between the liability settled and the fair value of the digital assets transferred is recognized as a gain or loss on settlement. Otherwise, the transaction is measured based on the fair value of the digital assets exchanged. Any difference between the fair value of the digital assets exchanged and the carrying amount of the digital assets is recognized in profit and loss.

Property, plant and equipment

Details as to the Company's policies for property, plant and equipment are as follows:

Asset	Amortization method	Amortization % or period
Miners	Declining	55%
Computer equipment	Declining	55%
Industrial equipment	Straight-line	10 years
Small equipment	Declining	20%
Leasehold improvement	Straight-line	10 years

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item can be measured reliably. The carrying amount of any replaced parts is derecognized. All other repairs and maintenance are charged to profit or loss during the fiscal year in which they are incurred.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Details as to the Company's policies for intangible assets are as follows:

Asset	Amortization method	Amortization % or period
Applications and Software	Straight-line	2 years

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell the software, and
- The software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

All finite-lived intangible assets are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their useful lives. Residual values and useful lives are reviewed at each reporting date.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognized in profit or loss.

Impairment of non-financial assets

The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases and right-of-use assets

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the use of the discount rate determined by the incremental borrowing rate on commencement of the lease. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at cost, which includes the initial amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term or recorded in profit or loss if the right-of-use asset is reduced to zero.

Share-based compensation payments

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The Company has granted share-based payment awards which vest in installments. Such arrangements are accounted for separately. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Compensation expense is recognized over the vesting period, with a corresponding increase in contributed surplus. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current year. No adjustment is made to any expense recognized in previous years if share options ultimately exercised are different to that estimated on vesting. Any consideration paid by plan participants on the exercise of share options is credited to share capital and the corresponding share-based compensation that was previously included in contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The primary measurement categories for financial assets are measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition. The Company does not have any financial assets categorised as FVTOCI or FVTPL.

Financial assets are classified as measured at amortized cost if both of the following criteria are met: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". After initial recognition, these are measured at amortized cost using the effective interest rate method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, other receivables are classified as financial assets and measured at amortized cost.

Revenues from these financial assets are recognized in financial revenues, if any.

Financial liabilities

Financial liabilities are initially and subsequently measured at amortized cost using the effective interest rate method, except for the conversion option classified FVTPL, which are carried subsequently at fair value with gain or losses recognized in profit or loss.

The Company's accounts payable and accrued liabilities (excluding salaries and vacation payable), deferred revenue and customer deposits, borrowings are classified as measured at amortized cost.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Expected Credit Loss Impairment Model

The Company uses the single expected credit loss impairment model, which is based on changes in credit quality since initial application.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Fair Value

Financial instruments and non financial assets recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

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

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognized when the Company has a legal or constructive obligation, as a result of past events, for which it is possible that an outflow of economic benefits will result, and that outflow can be reliably measured.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting year. As at December 31, 2021 and 2020, there are no provision recorded.

Share capital and equity

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. When warrants are issued in connection with shares, the Company uses the residual method for allocating fair value to the shares and then to warrants.

Contributed surplus include the value of warrants and stock options. When warrants and stock options are exercised, the related compensation cost and value are transferred to share capital.

Deficit include all current and prior year losses.

Digital asset revaluation reserve includes gains and losses from the revaluation of digital assets, net of tax.

Basic and Diluted Income (Loss) per Share

Basic income (loss) per share is calculated by dividing net income (loss) for the year attributable to equity owners of the Company by the weighted average number of common shares outstanding during the year (Note 13).

Diluted income (loss) per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included for options and similar instruments is computed assuming that if all dilutive securities had been exercised at the later of the beginning of the year and the date of issuance, the proceeds would be used to purchase common shares at the average market value during the year.

Income taxes

The Company applies the liability method of accounting for income taxes. Current tax expense is recognized based on the expected tax payable on the taxable income for the year, using the enacted tax rate at period end, adjusted for any amendments with regards to previous years.

Deferred income tax assets and liabilities are recognized for the future income tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases, and for tax losses carried forward. Deferred income tax assets and liabilities are measured using the substantively enacted tax rates that will be in effect for the year in which the differences are expected to reverse.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the underlying tax loss or deductible temporary differences can be utilized. Deferred tax liabilities are always recognized in full. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets and liabilities are recognized as a component of tax income or expense in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

The Company has earned bitcoin from the commercial activity of digital assets mining by using pools. The Company has followed the published Canada Revenue Agency ("CRA") view that bitcoin is a commodity and inventory of the business, the value of which is included in the calculation of taxable income from the business. Digital assets is valued in accordance with Section 10 of the Income Tax Act. Revenue from bitcoin mining is included in taxable income when the bitcoin is earned from the pools. There is uncertainty regarding the taxation of cryptocurrency and the CRA may assess the Company differently from the position adopted. This could result in additional current taxes payable with equal offset to deferred tax expense.

Canada Computational Unlimited Corp.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's consolidated financial statements.

Critical accounting judgements, estimates and assumptions

The preparation of these 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 at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Income from digital assets mining

The Company recognizes income from digital assets mining from the provision of transaction verification services within digital asset networks, commonly termed cryptocurrency mining. As consideration for these services, the Company receives digital asset from each specific network in which it participates ("coins"). Income from digital asset mining is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt. The coins are recorded on the statement of financial position, as digital assets, at their fair value less costs to sell and re-measured at each reporting date. Revaluation gains or losses, as well as gains or losses on the sale of coins for traditional (fiat) currencies are included in profit or loss.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the mining and strategic selling of digital assets and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of income from digital assets mining for mining of digital assets. Management has examined various factors surrounding the substance of the Company's operations, including the stage of completion being the completion and addition of a block to a blockchain and the reliability of the measurement of the digital assets received.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

Leases - Incremental borrowing rate

Judgment is applied when determining the incremental borrowing rate used to measure the lease liability of each lease contract, including an estimate of the asset-specific security impact. The incremental borrowing rate should reflect the interest rate the Company would pay to borrow at a similar term and with similar security.

Canada Computational Unlimited Corp.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income, valued added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the year in which such determination is made.

Useful lives of property, plant and equipment

Depreciation of data miners and equipment are an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hashrates, technological changes, availability of hardware and other inputs, and production costs.

Useful lives of intangible assets

Depreciation of applications and software are an estimate of its expected life. In order to determine the useful life, assumptions are required about a range of industry market and economic factors, including technological changes and other inputs.

Digital asset valuation

Digital assets consist of cryptocurrency denominated assets (Note 7) and are included in current assets. Digital assets are carried at their fair value determined by the spot rate less costs to sell. The digital asset market is still a new market and is highly volatile ; historical prices are not necessarily indicative of future value ; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position.

4 REVERSE TAKEOVER

On May 25, 2021, Capricorn, CCU and 9442-4868 Québec Inc. entered into a definitive agreement pursuant to which Capricorn agreed to acquire indirectly all of the issued and outstanding CCU shares in exchange of for Capricorn shares ("the Transaction") in accordance with the exchange ratio of 10.607 to 1. The Transaction closed on September 7, 2021. Upon completion of the Transaction, all Capricorn shares issued were exchanged for 60,164,034 CCU shares. The current business of CCU will be the business of the resulting issuer. CCU and 9442-4868 Québec Inc. amalgamated and became a wholly-owned subsidiary of Capricorn.

In accordance with IFRS 3, Business Combinations, the substance of the acquisition is a reverse takeover ("RTO") as the shareholders of CCU owned a substantial majority of the shares of Capricorn. The acquisition of Capricorn does not constitute a business combination as Capricorn does not meet the definition of a business under that standard. As a result, the acquisition is accounted for in accordance with IFRS 2 Share-based Payment, with CCU identified as the acquirer and the equity consideration being measured at fair value. Accordingly, the resulting balances and transactions for the prior to September 7, 2021 are those of CCU.

Prior the closing, the issued and outstanding common shares of Capricorn have been consolidated at a ratio of 2.7 to 1.

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

4 REVERSE TAKEOVER (Continued)

Pursuant to the business combination transaction, the net assets acquired from the acquisition are to be recorded at their estimated fair values in accordance with IFRS 3. The allocation of the purchase consideration is as follows :

Consideration	\$
2,500,189 shares held by former shareholders of Capricorn	1,002,807
250,017 share options for previous option holders	52,738
	<u>1,055,545</u>
Net assets acquired	\$
Cash	29,111
Prepaid expenses	471
Accounts payable and accrued payables	(22,762)
Listing costs expended	1,048,725
	<u>1,055,545</u>

The fair value of the Capricorn shares issued and outstanding prior of the RTO has been determined based on the most recent value of the CCU shares which is the concurrent private placement completed by CCU on June 18, 2021 for a gross proceeds of \$4,319,902, at a post exchange of \$0.50 per subscription receipt. The subscription proceeds were held in escrow and released upon closing the Transaction. Each subscription receipt have been exchanged for one unit. Each unit comprises of one CCU common share and one-half CCU warrant. Each whole warrant shall be exercisable at a price of \$0.75 (post-split) and is subject to early expiry in accordance with their terms. As the Company uses the weighted average for allocating fair value to the shares and then to warrants, an amount of \$0.20 per share was allocated to warrants for a total amount of \$845,778 (Note 13).

Capricorn has 250,017 post-consolidation options and no warrant or other securities exercisable for common shares outstanding.

The options were valued at \$52,738 using the Black Scholes option pricing model using the following assumptions:

Stock price	\$0.40
Expected volatility (1)	106.1%
Risk free interest rate	0.39%
Expected life	1 year
Exercise price	\$0.27

(1) The volatility was determined by using public comparable companies over a period corresponding to the expected life of warrants and options.

Each CCU warrant, compensation warrant and option outstanding immediately prior the closing date has been transferred by such holder to Capricorn. Each of which has been exchanged for those of the resulting issuer at the same terms giving consideration to the exchange ratio.

1,041,200 finders fees shares have been issued on the closing transaction at a deemed price of \$0.50. These fees are considered as a transaction cost. The Company also expended other transaction costs for a total amount of \$673,843.

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5 DEPOSITS AND PREPAID EXPENSES

	2021	2020
Current	\$	\$
Prepaid electricity (i)	62,073	18,248
Deposit for miners and electrical equipment	254,026	41,320
Other prepaid expenses	231,165	3,728
Total current deposits and prepaids expenses	547,264	63,296
Non-current		
Deposits related to electricity supply under Electricity Supply Agreement (ii)	208,987	58,614
Other deposits	15,000	15,000
Total non-current deposits and prepaids expenses	223,987	73,614

(i) Electricity deposits for facility in Joliette, Québec.

(ii) Security deposit for future electricity usage.

6 TRADES AND OTHER RECEIVABLES

	2021	2020
	\$	\$
Taxes receivables	492,138	93,763
Other receivables	8,058	1,642
Total trades and other receivable	500,196	95,405

7 DIGITAL ASSETS

The Company's holdings of digital assets consist of the following:

	2021					2020	
	\$	Number of Bitcoin	\$	Number of Ether	Total \$	\$	Number of Bitcoin
Balance, beginning of year	653,882	18	-	-	653,882	27	251,332
Digital assets mined	4,246,519	71	170,864	55	4,417,383	123	1,680,650
Bitcoin received to purchase property, plant and equipment					-	4	46,955
Bitcoin purchased	1,292,268	24	-	-	1,292,268	-	-
Bitcoin received for services					-	5	55,620
Bitcoin used for debt payments (1)	(1,653,155)	(30)	-	-	(1,653,155)	(29)	(378,968)
Bitcoin traded for cash (1)	(1,727,805)	(32)	-	-	(1,727,805)	(97)	(1,468,436)
Digital assets used to purchase property, plant and equipment (1)			(3,208)	(2)	(3,208)	(4)	(69,709)
Bitcoin paid for services (1)					-	(11)	(135,588)
Gain (loss) on use of digital assets (1)	252,233		87		252,320	-	363,658
Revaluation of digital assets (2)	(61,062)		83,508		22,446	-	308,368
Balance, end of year (3)	3,002,880	51	251,251	53	3,254,131	18	653,882

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7 DIGITAL ASSETS (Continued)

(1): During the year, the Company exchanged its bitcoin for cash, debt payments, purchases of property, plant and equipment and services.

	2021		2020	
	Bitcoin	Ether	Bitcoin	Ether
Sales	\$ 6,329,029	\$ 469	\$ 2,052,700	\$ -
Cost	\$ 6,076,796	\$ 382	\$ 1,689,042	\$ -
Gain (loss) on use of digital asset	\$ 252,233	\$ 87	\$ 363,658	\$ -

(2): Digital asset held are revalued each reporting year based on the fair market value on the reporting date.

	2021		2020	
	Bitcoin	Ether	Bitcoin	Ether
\$ CAN	\$ 58,387	\$ 4,646	\$ 36,884	\$ -
\$ US	\$ 46,195	\$ 3,770	\$ 28,972	\$ -

As at December 31, 2021, the revaluation resulted in a gain of \$22,446 which was recorded to other comprehensive income net of taxes of \$5,948.

As at December 31, 2020, the revaluation resulting in a gain of \$308,368. Of this gain \$94,608 was recorded as a gain in the net income, which offset the revaluation losses recorded in prior years, and the remaining \$213,760 was recorded to other comprehensive income net of taxes of \$55,866.

(3): Digital assets held by the Company are available for use.

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8 PROPERTY, PLANT AND EQUIPMENT

	Miners	Computer Equipment	Industrial Equipment	Leasehold improvement	Small equipment	In construction - Industrial Equipment	In construction - Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance - December 31, 2019	2,173,373	228,127	383,902	142,940	28,614	458,772	-	3,415,728
Additions	69,348	2,877		26,975		115,185		214,385
Disposals	(433,975)							(433,975)
Balance - December 31, 2020	1,808,746	231,004	383,902	169,915	28,614	573,957	-	3,196,138
Balance - December 31, 2020	1,808,746	231,004	383,902	169,915	28,614	573,957	-	3,196,138
Additions	1,457,914	12,845		4,894	13,580	3,339,400	79,899	4,908,532
Transfert (i)	15,989		1,141,477	35,188		(1,176,665)	(15,989)	-
Balance - December 31, 2021	3,282,649	243,849	1,525,379	209,997	42,194	2,736,692	63,910	8,104,670
Accumulated depreciation								
Balance - December 31, 2019	788,806	142,047	79,194	16,203	3,716	-	-	1,029,966
Depreciation	717,787	48,135	16,237	15,643	4,979			802,781
Disposals (ii)	(336,330)							(336,330)
Balance - December 31, 2020	1,170,263	190,182	95,431	31,846	8,695	-	-	1,496,417
Balance - December 31, 2020	1,170,263	190,182	95,431	31,846	8,695	-	-	1,496,417
Depreciation	531,853	27,977	152,546	21,000	5,797			739,173
Balance - December 31, 2021	1,702,116	218,159	247,977	52,846	14,492	-	-	2,235,590
Net carrying value								
As at December 31, 2020	\$ 638,483	\$ 40,822	\$ 288,471	\$ 138,069	\$ 19,919	\$ 573,957	\$ -	\$ 1,699,721
As at December 31, 2021	\$ 1,580,533	\$ 25,690	\$ 1,277,402	\$ 157,151	\$ 27,702	\$ 2,736,692	\$ 63,910	\$ 5,869,080

(i) As at December 31, 2021, industrial equipments that were being constructed were transferred into the appropriate asset categories. From the original amount of \$1,176,665, an amount of \$1,141,477 was transferred to industrial equipment and \$35,188 into leasehold improvement.

(ii) Company's comparative figures have been reclassified to conform to the presentation adopted in 2021.

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9 INTANGIBLE ASSETS

	Software	Total
	\$	\$
Cost		
Balance - December 31, 2020	-	-
Additions	77,586	77,586
Balance - December 31, 2021	77,586	77,586
Accumulated depreciation		
Balance - December 31, 2020	-	-
Amortization	11,993	11,993
Balance - December 31, 2021	11,993	11,993
Net carrying value		
As at December 31, 2020	-	-
As at December 31, 2021	65,593	65,593

10 LEASES

The Company leases facilities. The lease has an initial term of 5 years and a renewal option after that date. The lease do not specify any restrictions and the leased property cannot be used to secure loans.

The right-of-use assets and lease liabilities recognised by the Company relates to facilities.

Right-of-use assets

	2021	2020
	\$	\$
Balance as at January 1st	245,635	279,921
Addition	1,071,225	-
Depreciation	(68,749)	(34,286)
Balance	1,248,111	245,635

Lease liability

	2021	2020
	\$	\$
Balance as at January 1st	280,901	299,070
Addition	1,071,225	-
Lease payments	(45,495)	(18,169)
Balance	1,306,631	280,901
Current portion	210,000	57,100
Non-current portion	1,096,631	223,801

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10 LEASES (Continued)

Contractual undiscounted payments under lease liabilities are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Within one year	391,592	57,100
1 to 2 years	356,584	58,242
2 to 5 years	1,028,914	181,807
After 5 years	1,437,458	138,278
Total	<u>3,214,548</u>	<u>435,427</u>

Other amounts recognised in profit or loss

	<u>2021</u>	<u>2020</u>
	\$	\$
Interest expense on lease liabilities	59,428	37,811

Cash flow amounts

Total cash outflow for lease	104,923	55,980
Interest paid on lease liabilities	59,428	37,811

11 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2021</u>	<u>2020</u>
	\$	\$
Accounts payable (i)	1,607,631	59,368
Accrued liabilities (i)	1,344,262	102,084
Salaries and vacation payable	16,442	4,428
Total	<u>2,968,335</u>	<u>165,880</u>

(i) Including Industrial equipment and miners bought for, respectively, \$881,279 and \$600,957 and not received as at December 31, 2021.

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12 BORROWINGS

	2021	2020
	\$	\$
Loans payable, repaid during the year	-	1,716,779
Note payable, 3% payable in monthly instalments of \$3,490, maturing in May 2023	58,022	97,521
Emergency Loan for Canadian Business (i)	30,000	30,000
Total long-term debt	88,022	1,844,300
Current portion of long-term debt	40,699	1,706,978
Long-term portion of long term debt	47,323	137,322

- (i) On April 16, 2020, the Company received \$40,000 under the Emergency Loan for Canadian Business Program. The interest is for 3 years and is guaranteed by the Canadian government. Up to 25% of the loan (\$10,000) will be forgiven if repaid in full by December 31, 2022. If the Company has not repaid the loan before December 31, 2022, the loan will be automatically renewed until December 31, 2025 at an interest rate of 5%, and the Company will not be able to benefit from the grant of \$10,000.

Since \$10,000 of the government assistance is forgivable if the Company repays \$30,000 by December 31, 2022, the amount was recognized in earnings at the time the government assistance was granted.

After the year ended December 31, 2021, the Canadian Government announced that the Company was given until December 31, 2023 to repay the loan. The loan will start bearing interest at an interest rate of 5% starting on January 1st, 2024 until December 31, 2025. The estimated payments of the coming years have been adjusted to reflect the subsequent event mentioned above, for which \$30,000 will be paid in 2023.

	2021	2020
	\$	\$
Finance expense		
Interest expense on loans payables	452,080	640,011
Interest expense on lease liabilities	59,428	37,811
Interest on note payable	2,386	1,932
	513,894	679,754

Credit line

The Company has a \$1,450,000 (US 1,150,000) revolving line of credit agreement, to support its continuing working capital needs. This line of credit is secured by a security interest on part of the Company's current digital assets. Borrowings under the credit agreement bear interest at a variable rate of 4.50%. As of December 31, 2021, there were no borrowings outstanding on this line.

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13 EQUITY

Share Capital

Authorized

An unlimited number of common shares, voting, participating and without par value

Effective September 7, 2021, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidation share for 2.7 pre-consolidation shares. Unless otherwise stated, all share and per share amounts have been restated retrospectively to reflect this share consolidation.

Issued

	Number of common shares	Amount \$
Balance, December 31, 2019	2,500,189	2,843,269
Balance, December 31, 2020	2,500,189	2,843,269
Issuance of shares and warrants from the concurrent private placement (Note 4)	8,639,804	3,474,124
Common shares and options deemed to be issued on reverse takeover (Note 4)	51,524,230	1,002,807
Issuance of shares for finder's fees	1,041,200	520,600
Common shares deemed to be issued following the election to exercise warrants and stock options	3,164,325	2,955,828
Balance, December 31, 2021	66,869,748	10,796,628

Compensation Warrants

The warrant activity is as follows:

	Number of compensation	Weighted average \$
Balance, December 31, 2020 (i)	1,803,236	0.01
Issued (ii)	318,218	0.01
Issued (iii)	624,352	0.38
Balance, December 31, 2021	2,745,806	0.09

	Number of compensation	Weighted average \$
Balance, December 31, 2019	-	-
Issued (i)	1,803,236	0.01
Balance, December 31, 2020 (i)	1,803,236	0.01

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13 EQUITY (Continued)

Compensation Warrants (Continued)

- (i) On August 2, 2019, the Company issued compensation warrant certificates to purchase, at any time until January 1, 2023, 1,803,236 common shares at a unit price of \$0.01.

The fair value of the certificate compensation warrant was \$328,094. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	\$0.19
Expected life	41 months
Risk-free interest rate	1.39%
Expected volatility (1)	95%
Dividend	0
Exercise price at the date of grant	\$0.01

- (ii) On January 1, 2021, the Company issued compensation compensation warrant certificates prior the Transaction to purchase, at any time until January 4, 2025, 318,218 common shares at a unit price of \$0.01.

The fair value of the certificate compensation warrant was \$58,169. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	\$0.19
Expected life	41 months
Risk-free interest rate	1.39%
Expected volatility (1)	95%
Dividend	0
Exercise price at the date of grant	\$0.01

- (iii) On May 20, 2021, the Company issued compensation warrant certificates to purchase, at any time until May 20, 2025, 624,352 common shares at a unit price of \$0.38.

The fair value of the certificate compensation warrant was \$160,551. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	\$0.19
Expected life	41 months
Risk-free interest rate	1.39%
Expected volatility (1)	95%
Dividend	0
Exercise price at the date of grant	\$0.38

- (1) The volatility was determined by using public comparable companies over a period corresponding to expected life of the share warrants and options.

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13 EQUITY (Continued)

Warrants

The warrant activity is as follows:

	Number of warrants	Weighted average exercise price
		\$
Balance, December 31, 2020	-	-
Issued (i)	4,319,902	0.75
Exercised	<u>(3,085,001)</u>	<u>(0.75)</u>
Balance, December 31, 2021 (i)	1,234,901	0.75

- (i) On September 7, 2021, the Company issued warrant certificates from the concurrent private placement (Note 4), at any time until May 20, 2025, 4,319,902 common shares at a unit price of \$0.75

The fair value of the certificate compensation warrant was \$845,778. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	\$0.40
Expected life	3 years
Risk-free interest rate	0.57%
Expected volatility (1)	99.16%
Dividend	0
Exercise price at the date of grant	\$0.75

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13 EQUITY (Continued)

Stock options

On June 28, 2019, the Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may grant to certain employees. The option price shall be determined by the Board of Directors and shall not be less than the fair market value of the share.

The Company maintains a stock option plan (the "Plan") whereby certain officers, directors and consultants may be granted stock options for common shares of the Company. Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Stock-based compensation is recognized over the vesting period. The Board may from time to time, in its discretion, grant to officers, directors and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five years from the date of grant.

The plan also contains certain specifications when a trigger event occurs that would accelerate vesting.

The following table reflects the continuity of stock options outstanding and exercisable for the periods presented below in accordance with the exchange ratio of 10.607 for the Transaction:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2020 (i)	424,291	0.19
Granted (ii)	106,073	0.38
Granted (iii)	250,019	0.27
Granted (iv)	372,941	0.85
Exercised (v)	(79,325)	(0.27)
Balance, December 31, 2021	1,073,999	0.45

(v) The fair value of the Share at the time of exercise was 0.85\$

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13 EQUITY (Continued)

As at December 31, 2021, compensation options, compensation warrants and warrants are as follows:

Descriptions	Expiry date	Exercise Price	Beginning balance	Issued	Canceled	Exercised	Balance end of year
Compensation Options	2029-08-27	0.19	424,291	-	-	-	424,291
Compensation Options	2031-05-20	0.38	-	106,073	-	-	106,073
Compensation Options	2022-09-07	0.27	-	250,019	-	(79,325)	170,694
Compensation Options	2026-12-23	0.85	-	372,941	-	-	372,941
		0.45	424,291	729,033	-	79,325	1,073,999

	Number of stock options	Weighted average exercise price
Balance, December 31, 2018		\$
Granted (i)	424,291	0.19
Balance, December 31, 2019 and 2020	424,291	0.19

As at December 31, 2021, compensation options, compensation warrants and warrants are as follows:

Descriptions	Expiry date	Exercise Price	Beginning balance	Issued	Canceled	Exercised	Balance end of year
Compensation Options	2029-08-27	\$0.19	-	424,291	-	-	424,291
		\$0.19	-	424,291	-	-	424,291

- (i) On August 2, 2019, the Company granted an option to acquire 424,291 common shares at a price of \$0.19 to an employee. Each option shall become vested and exercisable in equal installments at the end of every subsequent month commencing on the first anniversary of the grant date, such that 100% of the option will be vested on the fifth anniversary of the grant date and are exercisable over a period of 10 years following the grant date.

The fair value of the option was \$47,885 (the fair value per option \$0.11). The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	\$0.19
Expected life	5 to 10 years
Risk-free interest rate	1.15% to 1.23%
Expected volatility (1)	100%
Dividend	-
Exercise price at the date of grant	\$0.19

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13 EQUITY (Continued)

- (ii) On May 30, 2021, the Company granted an option to acquire 106,073 common shares at a price of \$0.38 to an employee. Each option shall become vested and exercisable in equal installments at the end of every subsequent month commencing on the first anniversary of the grant date, such that 100% of the option will be vested on the fifth anniversary of the grant date and are exercisable over a period of 10 years following the grant date.

The fair value of the option was \$24,972 (the fair value per option \$0.23). The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	\$0.38
Expected life	5 to 10 years
Risk-free interest rate	1.15% to 1.23%
Expected volatility (1)	100%
Dividend	-
Exercise price at the date of grant	\$0.38

- (iii) The Company granted options to acquire 250,017 common shares at a price of \$0.27 to Capricorn shareholders. As at December 31, 2021, each option is vested and exercisable.

The fair value of the option was \$52,738 (the fair value per option \$0.21). The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	\$0.40
Expected life	1 year
Risk-free interest rate	0.39%
Expected volatility (1)	106.10%
Dividend	-
Exercise price at the date of grant	\$0.27

- (iv) The Company granted options to acquire 372,941 common shares at a price of \$0.85 to employees. As at December 31, 2021, each option is vested and exercisable.

The fair value of the option was \$233,379 (the fair value per option \$0.63). The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	\$0.85
Expected life	5 years
Risk-free interest rate	1.26%
Expected volatility (1)	98.19%
Dividend	-
Exercise price at the date of grant	\$0.85

- (1) The volatility was determined by using public comparable companies over a period corresponding to expected life of the share warrants and options.

During the years ended December 31, 2021 and December, 2020, the Company recorded a share based payment expense of respectively \$250,315 and \$17,823.

14 RELATED PARTY TRANSACTIONS

The Company entered into consulting agreements with directors and officers. The consulting fees charged by the directors and officers totaled approximately \$944,953 as at December 31, 2021, \$233,335 for the year ended December 31, 2020.

All transactions related to the loans payables are in bitcoin and are payable to shareholders. These loans were fully repaid (Note 12).

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15 INCOME TAXES

The income tax expense attributable to earnings differs from the amounts computed by applying the combined federal and provincial income tax rate of 26.5% (26.5% as at December 31, 2020) to loss before income taxes as a result of the follows:

	2021	2020
	\$	\$
Loss before income taxes	(1,725,592)	(855,424)
Expected income tax (recovery)	(457,282)	(226,687)
Increase (decrease) in income taxes resulting from:		
Temporary difference unrecognized (recognized)		
Non-deductible expenses	618,850	169,872
Stock based compensation	66,333	4,723
Deferred tax asset not recognized (recognized)	(189,415)	52,092
True up and Other	(34,409)	-
	4,077	-

Composition of deferred income taxes in the income statement

Origination and reversal of temporary differences	193,493	(52,092)
Benefit arising from previously unrecognized temporary differences and tax losses	(189,416)	52,092
	4,077	-

Movement of deferred income tax in 2021

	2021-01-01	Profit and loss	Other comprehensive income	2021-12-31
Property plant and equipment and intangibles	(169,321)	(333,102)		(502,423)
Right-of-use assets	(65,093)	(269,363)		(334,457)
Digital currencies	(56,646)	34,762	(5,949)	(27,832)
Lease liability	74,439	271,819		346,258
Non capital losses	216,621	291,807		508,428
Total	-	(4,077)	(5,949)	(10,026)

Movement of deferred income tax in 2020

	2020-01-01	Profit and loss	Other comprehensive income	2020-12-31
Property plant and equipment	(267,822)	98,501		(169,321)
Right-of-use assets	(74,179)	9,086		(65,093)
Digital currencies	-	-	(56,646)	(56,646)
Lease liability	79,254	(4,815)		74,439
Non capital losses	262,747	(46,126)		216,621
Total	-	56,646	(56,646)	-

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15 INCOME TAXES (Continued)

As at December 31, deductible timing differences for which the company has not recognized deferred tax asset are as follows:

	2021	2020
Non capital losses	207,234	681,220
Total	<u>207,234</u>	<u>681,220</u>

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered.

As at December 31, 2021, the Company has non-capital tax losses, which are available to reduce income taxes in future years and and expire as follows:

	Federal	Quebec
2040	-	160,133
2039	693,366	1,312,987
2038	-	104,873
	<u>693,366</u>	<u>1,577,993</u>

16 CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consist of equity comprised of issued share capital, reserves and borrowings. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk managements remains unchanged from the year ended December 31, 2021 and 2020.

17 FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Fair value

The fair value of the Company's financial instruments, including cash, other receivable, accounts payable and accrued liabilities, approximates their carrying value due to their short-term nature. The fair value of borrowings, except the loan payable, approximate their carrying amounts based on actualized cash flows (Level 2).

Digital assets and loan payables are measured at fair value using the quoted price on Cryptocompare (Level 2).

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk is limited and relates to its ability to earn interest income on cash balances.Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

Canada Computational Unlimited Corp.

(formerly Capricorn Business Acquisitions Inc.)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(In Canadian dollars)

17 FINANCIAL INSTRUMENTS (Continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash and digital assets.

The Company has a planning and budgeting process to help determine the funds required to support the Company's normal spending requirements on an ongoing basis and its expansionary plans.

As at December 31, 2021, the contractual maturities of financial liabilities, and other amounts payable including estimated interest payments are as follows:

	Carrying	Contractual	Within 1 year	1 to 2 years	2 to 5 years	5+ years
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,951,893	2,951,893	2,951,893			
Note payable on industrial equipment	58,022	91,474	32,138	41,884	17,452	
Emergency Loan for Canadian Businesses	30,000	30,000		30,000		
Lease commitments	1,306,631	3,214,548	391,592	356,584	1,028,914	1,437,458
	4,346,546	6,287,915	3,375,623	428,468	1,046,366	1,437,458

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Company. The Company's functional currency is the Canadian dollar and most purchases are transacted in Canadian dollars. Management currently does not hedge its foreign exchange risk.

The table below indicates the foreign currencies to which the Company has significant exposure in Canadian dollar terms:

	2021	2020
	\$	\$
Cash - \$US	218,124	201,559
Cash - \$CHF	387	-

Digital assets and risk management

Digital assets are measured using the rate from Cryptocompare.

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets; in addition, the Company may not be able liquidate its inventory of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance. The Company's digital assets currently solely consist of bitcoin and bitcoin cash.

At December 31, 2021 had the market price of the Company's holdings of digital assets increased or decreased by 10% with all other variables held constant, the corresponding asset value increase or decrease respectively would amount to \$325,413 (\$152,468 at December 31, 2020).

18 SUBSEQUENT EVENTS

On January 20, 2022, the Company issued 3,924,386 common shares upon completion of a Private Placement for proceeds of \$3,296,464.



Canada Computational Unlimited Corp.

Management's Discussion and Analysis

For the years ended December 31, 2021 and December 31, 2020

Dated March 10, 2022

Management Discussion and Analysis for the years ended December 31, 2021 and 2020

The following management's discussion and analysis ("MD&A") concerns the financial situation, operating results and cash flows of Canada Computational Unlimited Corp. ("CCU" or the "Company") for the years ended December 31, 2021 and 2020. The discussion should be read in conjunction with the Company's audited financial statements and related notes for the year ended December 31, 2021, and related notes thereto. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are reported in Canadian dollars unless otherwise noted. These documents, as well as additional information on the Company, are filed electronically through the *System for Electronic Document Analysis and Retrieval* (SEDAR) and are available online at www.sedar.com.

Forward-Looking Statements

Certain statements in this MD&A are forward-looking statements or contain forward-looking information which may include, but are not limited to, statements with respect to the future financial or operating performance of CCU and its projects, business strategy, corporate plans, objectives and goals, as well as the market conditions applicable to CCU. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements include, among others: expectations regarding foreign exchange rates; statements relating to the business and future activities of, and developments related, to CCU; statements based on the audited financial statements of CCU; the expected success of business activities; expectations for other economic, business, regulatory and/or competitive factors related to CCU in general; the business objectives and milestones of CCU; the amount and principal uses of available funds, including the funds to be used for anticipated investments; and other events or conditions that may occur in the future.

Forward-looking information and statements are based on current expectations, beliefs, assumptions, estimates and forecasts about the Company's business and the industry and markets in which it operates, as of the date of this MD&A. Although the assumptions made by the Company in providing forward looking information or making forward looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of CCU to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "*Risk Factors*" in the filing statement filed in connection with the Qualifying Transaction (as defined below) (the "Filing Statement"), including risks relating to cryptocurrency mining, risks related to CCU's cryptocurrency Mining Operations; risks related to the price of Bitcoin and other Cryptocurrencies; risks related to governmental regulation and enforcement; volatility of the common shares of the Company (the "Common Shares"); cybersecurity risks; risks related to electrical power and Internet; and tax risks. Although CCU has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein and in the Filing Statement are made as of the date of the respective document in which they are contained and, other than as required by law, CCU disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Glossary

<p>“ASIC” means an application-specific integrated circuit customized for Mining.</p>
<p>“Bitcoin” or “BTC” is a peer-to-peer payment system and the digital currency of that system, which uses open source cryptography to control the creation and transfer of such digital currency.</p>
<p>“Blockchain” is a growing list of records, called Blocks, that are linked together using cryptography.</p>
<p>“Block Reward” means the award of a cryptocurrency to a miner that successfully adds a Block to the Blockchain.</p>
<p>“Difficulty” is a measure of how difficult it is to mine a Block in terms of computing power and energy spent.</p>
<p>“Ether”, “ETH” or “Ethereum” are used interchangeably and refer to the native token of the Ethereum Network, a global, open-source platform for decentralized applications.</p>
<p>“Hashrate” is a measure of mining power whereby the expected revenue from mining is directly proportional to a miner’s hashrate normalized by the total hashrate of the network.</p>
<p>“Hosting” means the commercial activity of renting space, for a fee, to host ASIC or cryptocurrency mining equipment to other companies.</p>
<p>“Lightning Network” is a layer two protocol for Bitcoin that is layered on top of the Bitcoin Blockchain to allow cheap and instant payments.</p>
<p>“Mining” refers to the provision of computing capacity (or hashing power) to secure a distributed network by creating, verifying, publishing and propagating blocks in the blockchain in exchange for rewards and fees denominated in the native token of that network (i.e. Bitcoin or Ethereum, as applicable) for each block generated.</p>
<p>“Mining Equipment” means a single computer system that performs the necessary computations for Mining.</p>
<p>“Network difficulty” is a measure of how difficult it is to find a hash below a given target.</p>

Non-IFRS Performance Measures

This MD&A makes reference to certain measures that are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. They are therefore not necessarily comparable to similar measures presented by other companies. The Company uses non-IFRS measures including “Adjusted EBITDA” and “Mining Profit” as additional information to complement IFRS measures by providing further understanding of the Company’s results of operations from Management’s perspective. The following tables reconcile non-IFRS measures used by the Company to analyze the operational performance of the Company, to its nearest IFRS measure and should be read in conjunction with the audited consolidated statement of operations and comprehensive income (loss) and audited consolidated statement of cash flows included in the audited consolidated financial statements for the years ended December 31, 2021 and 2020.

Mining Profit

Mining profit represents gross profit (revenue less cost of revenue), excluding depreciation and revenue and site operating costs directly attributable to hosting revenue and other revenue.

The following is a reconciliation of gross profit to the non-IFRS measure of mining profit.

	2021	2020
Gross profit	\$ 2,567,506	\$ 837,067
Add (deduct)		
Hosting	(1,592,909)	-
Other	(108,128)	(1,680,650)
Site operating costs attributable to hosting	1,184,489	-
Depreciation	(819,915)	(77,463)
Mining Profit (loss)	\$ 1,231,043	\$ (921,046)

Adjusted EBITDA

Adjusted EBITDA represents net income (loss) excluding finance income, finance expense, income taxes, depreciation and amortization, and adjusted for non-cash and one-time non-recurring transactions. The Company uses it to assess profitability.

	2021	2020
Net income (loss)	\$(1,729,669)	\$(855,424)
Add (deduct)		
Finance expense	513,894	679,754
Finance income	(753)	(453)
Income taxes	4,077	0
Depreciation	819,915	837,067
EBITDA	(392,536)	660,944
Share based payments	250,315	17,823
Gain (loss) on use of digital assets	(252,320)	(363,658)
Loss on disposal of property, plant and equipment	0	41,649
Listing costs expended	1,048,725	0
Listing expenses	709,247	0
Insurance reimbursement	-	- 24,039
Finder's fees	520,600	0
Loss (gain) on loans payable	(515,704)	0
Adjusted EBITDA	\$ 1,368,327	\$ 332,719

Company

Canada Computational Unlimited Corp. (formerly, Capricorn Business Acquisitions Inc.) was incorporated on May 7, 2008 under the *Business Corporations Act* (Ontario). On September 8, 2021, the Company announced the completion of its “Qualifying Transaction”, as defined under Policy 2.4 – *Capital Pool Companies* of the TSX Venture Exchange (the “Exchange”). The Qualifying Transaction was completed through a reverse takeover of Canada Computational Unlimited Inc. (“CCU Inc.”). Upon completion of the Qualifying Transaction, the business of CCU Inc. became the business of the Company as a result of CCU Inc. becoming a wholly-owned subsidiary of the Company.

Canada Computational Unlimited Inc. was incorporated under the *Business Corporations Act* (Québec) on November 16, 2017.

The Company’s head office is located at 66 Wellington Street West, Suite 5300, Toronto, Ontario, M5K 1E6, Canada and its sole place of business is located at 289 Dugas, Joliette, Québec J6E 4H1, Canada.

CCU was co-founded by technology entrepreneurs Romain Nouzareth and Mathieu Nouzareth in 2017. Since its creation, CCU has operated a high-density computation center built for high-grade cryptocurrency mining, AI data processing and fintech infrastructure located in the city of Joliette in the Province of Québec, with a mandate of social responsibility and environmental care by solely using renewable energy. In 2018, CCU contracted with Hydro-Joliette to purchase up to 20MW of hydro-electrical power to be used for crypto mining. 10 MW are currently used by CCU to produce 242 PHs of Bitcoin (BTC) mining power (hashrate) and 6 GHs of Ethereum (ETH) mining power. CCU is building its mining capacity with the intent to put the remaining 10 MW to use in mid-2022 or earlier.

CCU is led and managed by technology entrepreneurs, electricity and ventilation experts, a strong finance team, and network specialists. Since its inception, CCU has pursued a vision of environmental stewardship and increased performance throughout the cryptocurrency mining process. The availability of energy from renewable sources in the province of Québec has made this endeavor feasible and a great base for future growth.

The Company’s main goals are to:

- Secure and validate various blockchains transactions and mint crypto currencies
- Expand globally to increase mining power and transaction revenues using renewable or sustainable energy
- Promote the use of Bitcoin, the Lightning Network, and blockchain technologies
- hold crypto and bitcoin to increase net asset value
- Strategically mine and acquire a significant percentage of the remaining 3 million bitcoins to be mined by 2140

CCU generates revenue from mining, from fees obtained validating the blockchain, and revenue from hosting other miners.

Cryptocurrency Trends

Following highs in November 2021, there has been a correction in cryptocurrency prices, generally, continuing in early 2022. The Company has also encountered some electrical curtailment at the request of Hydro Joliette for load-balancing during the winter. Nonetheless, mining economics are still relatively healthy on a historical basis (comparing the last 3 years).

Production and delivery delays have been experienced at some of the major mining equipment manufacturers. If production and delivery delays are solved and mining equipment is delivered and put into production, we expect that network difficulty may rise significantly. If the Bitcoin price rises in step with the increase in Difficulty, Bitcoin mining market conditions would be preserved, otherwise the rise in Difficulty will negatively impact Bitcoin mining market conditions.

The Facility

In February 2018, the Company signed a 5-year lease for 9,000 square feet of space, in a 50,000 sq. ft. factory. The Company then started the construction of its first center with performance in mind. With air filtration, negative pressure, and right voltage to operate the center to its best capacity, to make sure of good use of the energy without depletion, and with heat recycling to even push further the environmental approach the company put in place. The lease was first amended on July 1, 2021, extending the lease to June 30, 2026. On December 1, 2021, the leased space was increased to 25,000 sq. ft. In June 2018, the Company signed a 5-year contract for 20MW of power with Hydro Joliette in the city of Joliette, Québec, where the facility is located.

Custody of assets

A custodial agreement was entered into with Fireblocks Inc. (“Fireblocks”) to provide wallet and vault services to CCU.

Fireblocks is a leading enterprise-grade platform delivering a secure infrastructure for moving, storing, and issuing digital assets. Fireblocks enables banks, fintechs, exchanges, liquidity providers, OTCs and hedge funds to securely manage digital assets across a wide range of products and services. The technology consists of the Fireblocks Network and MPC-based Wallet Infrastructure. Fireblocks serves over 200 financial institutions and has secured over \$400 billion in digital assets. Fireblocks has a unique insurance policy that covers assets in storage & transit and offers 24/7 global support.

CCU utilizes the Fireblocks platform to maintain custody, transfer, and secure a material portion of its digital assets. Fireblocks, with locations in New York and Tel Aviv, utilizes a secure hot vault and secure transfer environment to help establish connections between the Partnership’s wallets, exchanges, counterparties, and networks. Fireblocks utilizes multi-party computation (“MPC”) protection layers to distribute private key secrets across multiple locations to ensure there is no single point of failure associated with the private keys. The use of MPC ensures private keys are never concentrated to a single device at any point in time. Fireblocks is SOC 2 Type II certified and undergoes a SOC 2 review on an annual basis. CCU reviews the Fireblocks SOC 2 report to ensure they maintain a secure technology infrastructure and that their systems are designed and operating effectively. Fireblocks maintains an insurance policy which has coverage for technology, cyber, and professional liability and is rated “A” by A.M. Best based on the strength of the policy and has had no known security breaches or incidents reported to date.

Fireblocks is independent of CCU.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease, which has continued to spread, and related adverse public health developments have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the pandemic and its effects on operations or the Company’s ability to raise funds in the future, however, to date, the Company has not been significantly impacted by the pandemic and its effects.

Various COVID-19-related restrictions on travel, work, and movement of goods and supplies, as well as the cumulative impact of the mounting number of lost working days as a result of COVID-19, have already put strain on our manufacturing partners, suppliers and logistics partners to produce and deliver a sufficient number of products needed to meet the global demand for miners. This has had a particularly strong impact on the global supply chain and availability of semiconductors, which are used in the manufacture of the ASIC chips used in the miners we operate. While this has not yet impacted us directly, it may cause supply issues in the future if the restriction continues.

Highlights of the year ended December 31, 2021

Financial Highlights

- Revenue from digital assets mined in 2021 grew 163% compared to 2020.
- Revenue from hosting in 2021 grew 1011% compared to 2020.
- Gross profit in 2021 grew to \$2,567,506 compared to a gross loss of \$141,718 in 2020.
- 71 BTC and 57 ETH minted in 2021
- Working capital increased to \$1,568,785 at December 31, 2021, from a deficiency of \$823,350 at December 31, 2020.
- Digital assets held at December 31, 2021 was \$3,254,131 compared to \$653,882 at December 31, 2020.
- Adjusted EBITDA of \$1,353,108 in 2021, an increase of 311% from 2020. (Adjusted EBITDA is a non-IFRS performance measure; the most comparable IFRS performance measure is Net Profit or Loss). For the year ended December 31, 2021, CCU had a Net Loss of \$1,729,669. Please see the reconciliation of Adjusted EBITDA to Net Loss under the heading “Non-IFRS Performance Measures” above.)

Listing on the TSX Venture Exchange

On September 7, 2021, the Company announced that it completed the Qualifying Transaction and its Common Shares commenced trading on the Exchange on September 16, 2021 under the symbol “SATO”.

In connection with the Qualifying Transaction, on June 18, 2021, CCU Inc. completed a non-brokered private placement (the “Concurrent Financing”) by way of the issuance of subscription receipts (“Subscription Receipts”) at a price of \$5.30 per Subscription Receipt, raising gross proceeds of \$4,319,902. The proceeds of the Concurrent Financing were placed into escrow pending closing of the Qualifying Transaction. Upon satisfaction of specified escrow release conditions, which included, among other things, the completion or waiver of all conditions precedent to the Qualifying Transaction, each Subscription Receipt was automatically converted into one Class B common share of CCU Inc. (a “CCU Share”) (which, upon the closing of the Qualifying Transaction, converted into 10.607 Common Shares, at a deemed price per Common Share of \$0.50) and one-half of one CCU Share purchase warrant with each whole warrant entitling the holder thereof to acquire one CCU Share for a period of thirty-six months from the date of issuance, subject to accelerated time of expiry, at an exercise price of \$7.96 per CCU Share (which converted into 10.607 warrants to purchase Common Shares at a price of \$0.75 per Common Share following the completion of the Qualifying Transaction).

Concurrently with the closing of the Qualifying Transaction, the Common Shares were consolidated on the basis of 2.7 pre-consolidation Common Shares for each post-consolidation Common Share.

Loan repayment

CCU completed the early repayment of loans payable (see related party transactions).

Exercise of warrants

On October 27, 2021, the Company announced that True Global Ventures 4 Plus Fund Pte, Ltd exercised warrants to acquire 3,085,001 Common Shares at a price of \$0.75 per Common Share for proceeds of \$2,313,750.

Subsequent event highlights

On January 26, 2022, the Company closed a non-brokered private placement and issued 3,912,481 Common Shares at a price of \$0.84 per share for gross proceeds of approximately \$3,286,484.

Milestones

Milestone	Target Date	Estimated total cost	Expenditures to date	Total remaining expenditures
Connect 12.5MW of electrical power to the primary grid of Hydro-Joliette's 25 kV line	December 2022 or earlier	\$415,000	\$255,534	\$159,466
Connect the primary power and transform it for use inside our infrastructure	December 2022 or earlier	\$1,600,000	\$1,354,026	\$245,794
Install Ventilation system	June 2022 or earlier	\$712,000	\$841,488	\$0
Install Network component such as switches, routers and firewalls	June 2022 or earlier	\$41,000	\$26,717	\$14,283
Construction work	June 2022 or earlier	\$300,000	\$205,168	\$94,832

Selected annual financial information

For the years ended	2021	2020	2019
	\$	\$	\$
Revenue	6,118,420	1,860,089	2,144,636
Gross profit (loss)	2,567,506	(141,718)	529,261
Expenses	2,244,646	477,995	1,083,399
Net income (loss)	(1,729,669)	(855,424)	(1,005,748)
Basic loss per share	(0.03)	(0.01)	-
Fully diluted loss per share	(0.03)	(0.01)	-
Cash flows from (used in) operating activities	(2,513,102)	350,946	(31,487)
Cash flows from (used in) investing activities	(3,716,588)	(247,676)	(229,463)
Cash flows from (used in) financing activities	6,758,480	81,541	314,980
Increase (decrease) in cash in year	528,790	184,811	54,030
As at December 31	2021	2020	2019
Total Assets	12,502,686	3,125,578	3,363,333
Total long-term financial liabilities	1,153,980	361,123	1,638,202
Cash dividends declared for all classes of shares	Nil	Nil	Nil

Results of Operations for the years ended December 31, 2021 and 2020
Financial highlights

	2021	2020	% Change
Revenue	6,118,420	1,860,089	229%
Cost of revenue	3,550,914	2,001,807	77%
Gross profit (loss)	2,567,506	(141,718)	N/A
Gain (loss) on use of digital assets	252,320	363,658	-31%
Revaluation of digital assets	-	94,608	N/A
Expenses	(2,244,646)	(477,995)	370%
Operating income (loss)	575,180	(161,447)	N/A
Other (charges) income	(2,300,772)	(693,977)	232%
Profit (Loss) before income taxes	(1,725,592)	(855,424)	102%
Deferred income taxes	(4,077)	-	N/A
Net income (loss)	(1,729,669)	(855,424)	102%
Total comprehensive income (loss)	(1,713,172)	(697,530)	146%
Gross mining profit	1,231,043	(921,046)	N/A
EBITDA	(392,536)	660,944	-159%
Adjusted EBITDA	1,368,327	332,719	311%

- (i) Included in net loss is \$2,278,572 of charges directly related to the Qualifying Transaction, of which \$1,569,325 are non-cash costs.

Revenue

For the year ended December 31, 2021, CCU mined 71 Bitcoin and 55 Ether, resulting in revenue of \$4,417,383, compared to 123 Bitcoins mined in 2020 with revenue of \$1,680,650. The lower number of Bitcoin mined is primarily the result of the Bitcoin “halving” event, which occurred in May 2020 and resulted in the block reward cut 50-50 to decrease the rate of inflation and raise the price of BTC over the course of a few months or even years (and is the process of maintaining the supply of Bitcoin). However, overall digital asset mining revenue increased because of the significant price appreciation of Bitcoin, more than offsetting the volume impact of the Bitcoin halving event. In addition, early 2020 production was initially impacted by COVID-19 lockdowns, although the overall impact was minimal. In addition, the commencement of mining Ether in 2021 provided an additional source of mining revenue.

CCU earned hosting revenue of \$1,592,909 in 2021, compared to \$143,439 in 2020. Hosting contracts are where CCU operates mining equipment on behalf of third parties within its facilities. The increase in hosting revenue was the result of utilizing our 5MW energy and infrastructures which was ready to be used by signing on additional hosting contracts when CCU was in the process of getting listed and could not raise additional money to buy miners. The strategy was to add a different revenue stream directly paid in fiat money.

Other revenue for the year ended December 31, 2021 and 2020 was \$108,128 and \$36,000, respectively. This consisted of \$36,000 management revenue in 2021 and 2020, and an additional \$72,128 of shipping cost from the hosting contracts in 2021.

The cost of revenue for the year ended December 31, 2021 was \$3,550,914, compared to \$2,001,807 in 2020. These costs directly relate to the costs incurred for Mining Bitcoin and include site operating costs such as electricity, salaries and benefits, share-based payments (related to those employees whose salaries are included), and depreciation. While there was an increase in the mining cost per Bitcoin (primarily as the result of the Bitcoin halving), there was a slight

offsetting decrease in the depreciation expense for the year. Cost of revenue also increased as hosting increased, as well as an increase in salaries due to the increase in personnel required to support the operations.

Below is a breakdown of the cost or revenue for the years ended December 31, 2021 and December 31, 2020:

	2021	2020
Cost of revenue	\$	\$
Site operating costs	2,247,291	1,069,454
Salary and benefits	233,393	77,463
Share based payments	250,315	17,823
Depreciation and amortization	819,915	837,067
	3,550,914	2,001,807

CCU had a gain on the use of digital assets of \$252,320 in 2021, compared to \$363,658 in 2020. This gain is the result of exchanging Bitcoin for cash, debt payments, purchase of property, plant and equipment and for services.

Expenses

In 2021, the Company was focused on completing its listing on the Exchange (completed September 16, 2021), and building out its mining Centre One. Expenses for the year are broken out below. The most significant items being the listing fees which represented costs directly related to the Qualifying Transaction. Other expense items increased as the Company's operations grew compared to 2020, and additional expenses (consultants, professionals and administrative) were required to support the growth of operations and to assist with the listing process. Consultant fees also increased due to a contract to find new electricity slots for Center Two.

A summary of expenses for the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Expenses	\$	\$
Professional fees	487,956	166,510
General and office	1,756,690	293,875
Loss on disposal of property, plant and equipment	-	41,649
Insurance reimbursement	-	(24,039)
	2,244,646	477,995

Other charges/income

Other charges/income in 2021 represented charges of \$2,300,772 compared to \$693,977 in 2020 and is broken out in the table below. The gain on loan payable represented the early settlement of the loan paid in Bitcoin (see related party transactions).

	2021	2020
Other charges (income)	\$	\$
Foreign exchange loss (gain)	(4,480)	14,223
Unrealized foreign exchange loss (gain)	28,490	-
Finance expense	513,894	679,754
Listing costs expended (i)	1,048,725	-
Other listing expenses (i)	709,247	-
Finder's fees (i)	520,600	-
Loss (gain) on loans payable	(515,704)	-
	2,300,772	693,977

- (i) The listing cost expended is the fair value of common shares of the Company retained by the former shareholders of Capricorn. Finder's fees were also a cost related to the listing process. These were one-time, non-cash expenses. Other listing costs comprised professional fees directly related to the listing.

The Company had a comprehensive loss of \$1,713,172 in 2021 compared to a comprehensive loss of \$697,530 in 2020. Comprehensive income was the result of adding the revaluation of digital assets to the net loss for the period. The Company had a revaluation gain of \$16,497 in 2021, compared to \$157,894 in 2020. The gain is the result of adjusting the value of the digital assets held in inventory to their market value at the reporting date.

Selected Quarterly Information

The following table summarizes CCU's financial information for the last eight quarters:

Financial Results	Q4 2021 \$	Q3 2021 \$	Q2 2021 \$	Q1 2021 \$	Q4 2020 \$	Q3 2020 \$	Q2 2020 \$	Q1 2020 \$
Revenue	2,026,598	1,847,077	1,142,636	1,102,109	458,664	358,831	453,952	588,642
Gross Profit (Loss)	190,399	1,042,631	630,471	704,005	(110,865)	(155,814)	(58,676)	79,931
Total Expenses	360,815	720,958	910,187	252,686	174,206	77,701	92,594	113,947
Net Income (Loss)	(512,590)	(1,004,354)	(467,458)	254,733	(329,194)	(233,590)	(191,033)	(205,313)
Basic profit (loss) per share	(0.007)	(0.016)	(0.187)	0.102	(0.132)	(0.093)	(0.076)	(0.082)
Fully-diluted profit (loss) per share	(0.007)	(0.016)	(0.187)	0.091	(0.132)	(0.093)	(0.076)	(0.082)

Revenue generated from the Company's mining operations is the primary contributor to the quarterly variations in revenue and net income or loss. Increase in Q2 2021 expenses related to the Company's efforts to list on an exchange and incurred additional legal and other professional fees related to the listing. These expenses also flowed into Q3, as the Transaction closed Sept 2021.

Fourth Quarter

The quarter represented the first full quarter after completing the Qualifying Transaction. This enabled the Company to focus on business and building out its facility in Juliette. The increase in revenues during the fourth quarter compared to previous, was due to an increase in average price of Bitcoin for the period.

Liquidity and Capital Resources

As at December 31, 2021, CCU had a working capital of \$1,568,785, (December 31, 2020 – working capital deficiency of \$823,350).

Net cash used by operating activities for the year ended December 31, 2021 was \$2,516,311, cash used in investing activities amounted to \$3,713,380 related to the purchase of equipment and deposits on electricity supply agreements. Cash provided by financing activities was \$6,758,480 being \$6,873,791 of proceeds from the private placements (and the exercise of warrants), offset by the repayment of notes payable (\$39,499) and lease payments of \$104,923. The Company also received cash of \$29,111 on the Transaction.

As at December 31, 2021, CCU had cash on hand of \$794,324 (December 31, 2020 - \$294,025) and digital assets of \$3,254,131 (December 31, 2020 - \$653,882).

CCU's ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business is dependent upon maintaining sustained profitability. There are various risks and uncertainties affecting CCU's operations including, but not limited to, the viability of the economics of Bitcoin mining, the liquidity of Bitcoin, and CCU's ability to maintain the security of its digital assets and execute its business plan.

CCU's strategy to mitigate these risks and uncertainties is to execute a business plan aimed at maintaining security, operational efficiency, revenue growth, and overall mining profitability while managing operating expenses and working capital requirements, including the securing of additional financing as needed through loans/equity investments. However, given the volatility in financial markets it may be difficult to raise financing when needed. Failure to implement CCU's business plan could have a material adverse effect on its financial condition or financial performance. Accordingly, there are material risks and uncertainties that cast significant doubt over CCU's ability to continue as a going concern.

As noted earlier, subsequent to the year end, to help alleviate the liquidity issue the Company closed a private placement financing for proceeds of \$3,286,484. The Company intends to use the net proceeds from the private placement for general working capital purposes

Related Party Transactions

The Company has entered into consulting agreements with two of the directors (Romain Nouzareth and Mathieu Nouzareth) and two officers (Fanny Philip and Kyle Appleby). The consulting fees charged by the directors and officers totaled approximately \$944,953 for the year ended December 31, 2021, compared with \$233,335 in 2020.

On June 30, 2019, CCU entered into bitcoin loan agreements (the "BTC Loan Agreements") pursuant to which it borrowed a total of 118.4743 BTC from eight shareholders of CCU (collectively, the "Lenders"). Pursuant to the BTC Loan Agreements, Romain Nouzareth, Mathieu Nouzareth, Julien Romanetto and Frédéric Montagnon initially each loaned to CCU 5 BTC, 2.18 BTC, 60 BTC and 39.64 BTC, respectively.

The BTC Loan Agreements provided CCU the ability to elect to repay in BTC according to pre-established phases as described in the BTC Loan Agreements:

Early Repayment Phases:

Phase 1: Each month until the mining equipment is connected, the Borrower will pay each Lender 0.075 BTC.

Phase 2: From the time the mining equipment is operational until the Borrower has repaid each Lender 3 BTC, the Borrower will pay to such Lender 85% of the BTC created using the mining equipment, less the electricity costs and the pool costs (1%) (the "Contribution Margin").

Phase 3: For 18 months after the end of Phase 2, repayment of 50% of the Contribution Margin.

No security was granted by CCU on any of its assets in connection with the BTC Loan Agreements, nor were there any securities of CCU Inc. or the Company to be issued in repayment of the BTC Loan Agreements.

Repayment of the BTC Loan Agreements

CCU made all payments required under Phase 1 of the BTC Loan Agreements until connection of the mining equipment. Following the completion of Phase 1 CCU and the Lenders agreed to proceed with the early repayment of all outstanding indebtedness under the BTC Loan Agreements and the payment of all other amounts owed to the Lenders pursuant to Phase 2 and Phase 3 of the BTC Loan Agreements (the "Early Repayment"). The Company

decided to proceed to the Early Repayment in order to reduce the Company's indebtedness and free mining capacity for other purposes. As of the date of the Early Repayment, a total of 12.1643 BTC were still outstanding and owed to the Lenders by CCU, representing an aggregate amount of \$641,123. CCU settled the repayment in Bitcoins.

The result of the Early Repayment is that CCU has no further indebtedness under the BTC Loan Agreements. The payment of the balance was made in BTC and resulted in a gain on settlement of debt.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company 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 Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Financial Instruments and Business Risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Fair value

The fair value of the Company's financial instruments, including cash, trade and other receivables, accounts payable and accrued liabilities, approximates their carrying value due to their short-term nature. The fair value of borrowings, except the loan payable, approximate their carrying amounts based on actualized cash flows (Level 2).

Digital assets and loan payables are measured at fair value using the quoted price on Cryptocompare (Level 2).

The conversion option is measured at fair value using the Monte Carlo option pricing model (Level 2).

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk is limited and relates to its ability to earn interest income on cash balances. Changes in short term interest rates will not have a significant effect on the fair value of the Company's cash account.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash and digital assets.

The Company has a planning and budgeting process to help determine the funds required to support the Company's normal spending requirements on an ongoing basis and its expansionary plans.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Company. The Company's functional currency is the Canadian dollar and most purchases are transacted in Canadian dollars. Management currently does not hedge its foreign exchange risk.

Digital assets and risk management

Digital assets are measured using the rate from Cryptocompare.

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets; in addition, the Company may not be able liquidate its inventory of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations.

The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance. The Company's digital assets currently solely consist of bitcoin and bitcoin cash.

Critical Accounting Estimates and Accounting Policies

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments 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. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Income from digital assets mining

The Company recognizes income from digital assets mining from the provision of transaction verification services within digital asset networks, commonly termed cryptocurrency mining. As consideration for these services, the Company receives digital assets from each specific network in which it participates ("coins"). Income from digital asset mining is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt. The coins are recorded on the statement of financial position, as digital assets, at their fair value less costs to sell and re-measured at each reporting date. Revaluation gains or losses, as well as gains or losses on the sale of coins for traditional (fiat) currencies are included in profit or loss in accordance with the Company's treatment of its digital assets as a traded commodity.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the mining and strategic selling of digital assets and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of income from digital assets mining for mining of digital assets. Management has examined various factors surrounding the substance of the Company's operations, including the stage of completion being the completion and addition of a block to a blockchain and the reliability of the measurement of the digital assets received.

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Leases - Incremental borrowing rate

Judgment is applied when determining the incremental borrowing rate used to measure the lease liability of each lease contract, including an estimate of the asset-specific security impact. The incremental borrowing rate should reflect the interest rate the Company would pay to borrow at a similar term and with similar security.

Income, valued added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the year in which such determination is made.

Useful lives of property, plant and equipment

Depreciation of data miners and equipment are an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hashrates, technological changes, availability of hardware and other inputs, and production costs.

Digital asset valuation

Digital assets consist of cryptocurrency denominated assets and are included in current assets. Digital assets are carried at their fair value determined by the spot rate less costs to sell. The digital asset market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company's earnings and financial position.

Capital Management

The Company's capital currently consists of Common Shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company does not have any externally imposed capital requirements to which it is subject. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

Share Capital

As of the date of this MD&A, the Company has issued, and outstanding share capital comprised of 70,782,229 Common Shares and 5,039,319 stock options and warrants.

Risk Factors

The Company's business is subject to a number of risk factors which are described in the Filing Statement which was filed on SEDAR on August 26, 2021. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of the Common Shares to decline. If any of the noted risks actually occur, our business may be harmed and the financial condition and results of operations may suffer significantly. In that event, the trading price of the Common Shares could decline, and shareholders may lose all or part of their investment.

Global Economy

The global economy's ability to recover will partly depend on decisions made by the Kremlin. In recent weeks, Russian troops have massed at the Ukraine border and marched on Kyiv and other Ukrainian cities, while the United Nations, the North Atlantic Treaty Organization (NATO), the United States and the European Union and each of their member states adopted unprecedented sanctions against Russia. It is impossible to predict what Russia intends to do, nor the impact the sanctions will have, but a continuing invasion would almost certainly lead to significant economic disruptions worldwide that could impact the Company, its vendors and suppliers, and impose significant costs on the Company, including costs related to capital equipment and shipping.