

HYPERBLOCK INC.

AUDIT COMMITTEE CHARTER

Adopted September 27, 2018

PURPOSE AND COMPOSITION

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") HyperBlock Inc. (the "Company") is to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to monitor:

- (i) the integrity of the Company's financial disclosure;
- (ii) the qualifications and independence of the Company's external auditor; and
- (iii) the performance of the external auditor.

Although the Audit Committee has the powers and responsibilities set forth in this Charter, the role of the Audit Committee is oversight. The majority of the members of the Audit Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with international financial reporting standards ("IFRS"), generally accepted accounting principles ("GAAP"), or applicable rules and regulations. These are the responsibilities of management and the external auditor.

The Audit Committee of the Company shall be composed of not less than three directors of the Company, each of whom shall be independent within the meaning of NI 52110, as amended or replaced from time to time. Each member of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial experience. The members of the Audit Committee will be appointed or reappointed by the Board following each annual meeting of the Company's shareholders. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board or ceases to be a director of the Company. Where a vacancy occurs at any time in the membership of the Audit Committee, the Board may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three directors as a result of any such vacancy.

MEETINGS AND OPERATIONS

The Audit Committee shall meet as often as it determines necessary or as may be required by applicable legal or listing requirements. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. Any member of the Audit Committee or the external auditor may call a meeting of the Audit Committee. At all Audit Committee meetings a majority of the members shall constitute a quorum. The acts of the Audit Committee

at a duly constituted meeting shall require the vote of a majority of the members present provided that, in any circumstances, a resolution or other instrument in writing signed by all members of the Audit Committee shall avail as the act of the Audit Committee. The Audit Committee shall meet periodically with management, the internal auditors, and the external auditor in separate executive sessions to discuss any matters that the Audit Committee or any of these groups believe should be discussed privately. The Audit Committee may instruct and require any officer or employee of the Company or the Company's external legal counsel or external auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The members of the Audit Committee shall select a chair from among their number. The chair will preside at each meeting of the Audit Committee and, in consultation with the other members of the Audit Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.

AUTHORITY AND RESPONSIBILITIES

The Audit Committee shall have the sole authority and responsibility to appoint, nominate or replace the external auditor (subject, if applicable, to shareholder approval or ratification). The external auditors are ultimately accountable to the Audit Committee and to the Board, as representatives of the shareholders. The Audit Committee shall be directly responsible for the determination of compensation and oversight of the work of the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditor shall report directly to the Audit Committee. The Audit Committee shall preapprove all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its external auditor. The Audit Committee shall consult with management, but shall not delegate any of its responsibilities to management.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting, or other advisors. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditor and to any advisors engaged by the Audit Committee.

The Audit Committee shall make regular reports to the Board. The Audit Committee shall annually review the Audit Committee's own performance. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

To fulfill its responsibilities and duties the Audit Committee shall:

(a) **Financial Disclosure**

- (i) Review and discuss with management, and the external auditor if and as applicable, prior to filing with the appropriate securities regulatory authorities or public dissemination, the Company's:

- i annual audited financial statements and related documents, including disclosures made in management's discussion and analysis;
 - ii quarterly financial statements and related documents including disclosures made in management's discussion and analysis;
 - iii press releases or material change reports discussing financial matters, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be done generally (consisting of discussing the types of information to be disclosed and the types of presentations to be made);
 - iv material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company or any of its subsidiaries with unconsolidated entities or other persons including related persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses;
 - v quality and acceptability of the accounting principles, policies and practices used in the preparation of the Company's financial statements, including all critical accounting policies and practices used, any alternative treatments of financial information, those policies for which management is required to exercise discretion or judgments regarding the implementation thereof, the ramification of their use and the external auditor's preferred treatment, as well as any other material communications between the external auditor and management;
- (ii) Discuss with the external auditor the matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants relating to the conduct of the audit.

(b) External Audit

- (i) Periodically review the independence of the external auditor;
- (ii) Meet with the external auditor and with management to discuss the audit plan, audit findings, any restrictions on the scope of the external auditor's work, and any issues that the external auditor experiences in performing the audit, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (iii) Review with the external auditor any management letter containing the recommendations of the external auditor, and the response and follow up by management in relation to any such recommendations;
- (iv) Review any evaluation of the Company's internal control over financial reporting conducted by the external auditor, together with management's response;
- (v) Preapprove (or delegate such preapproval to one or more of its independent members) in accordance with a preapproval policy, all engagements for nonaudit services to be provided to the Company or its subsidiary entities by the external

auditor, together with all nonaudit services fees, and consider the impact of such engagements and fees on the independence of the external auditor;

- (vi) Review and approve the Company's hiring policy regarding partners, employees and former partners and employees of the present and former external auditor of the Company; and,
- (vii) In the event of a change of auditor, review and approve the Company's disclosure relating thereto.

(c) Compliance Oversight Responsibilities

- (i) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- (ii) Discuss with management and the external auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies; and,
- (iii) Discuss with the Company's external legal counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.

(d) Other

- (i) Review and, if deemed appropriate, approve all related-party transactions;
- (ii) Institute and oversee special investigations, as needed; and,
- (iii) provide a report of its activities to the shareholders of the Company as part of the Company's management proxy circular for its annual meeting.