

## FORM 9

### **NOTICE OF ISSUANCE OR PROPOSED ISSUANCE OF LISTED SECURITIES**

**(or securities convertible or exchangeable into listed securities<sup>1</sup>)**

Name of Listed Issuer:

Symbol(s):

TAAL Distributed Information Technologies Inc. (the "Issuer").	TAAL
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Date: November 17, 2021 Is this an updating or amending Notice:  Yes  No

If yes provide date(s) of prior Notices: \_\_\_\_\_.

Issued and Outstanding Securities of Issuer Prior to Issuance: 36,309,510 common shares ("Common Shares").

#### **Pricing**

Date of news release announcing proposed issuance: November 15, 2021 or

Date of confidential request for price protection: \_\_\_\_\_

Closing Market Price on Day Preceding the news release: \$4.48 or

Day preceding request for price protection: \_\_\_\_\_

#### **Closing**

Number of securities to be issued: 1,187,500 Common Shares to be issued initially. An additional 2,250,000 Common Shares are to be issued in further satisfaction of the purchase price upon and subject to achievement of certain post-closing milestones.

Issued and outstanding securities following issuance: 37,497,010 Common Shares at initial closing. 39,747,010 assuming that all post-closing milestones are achieved.

#### **Instructions:**

1. For private placements (including debt settlement), complete tables 1A and 1B in Part 1 of this form.
2. Complete Table 1A – Summary for all purchasers, excluding those identified in Item 8.
3. Complete Table 1B – Related Persons only for Related Persons
4. If shares are being issued in connection with an acquisition (either as consideration or to raise funds for a cash acquisition) please proceed to Part 2 of this form.
5. An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10 – Notice of Proposed Transaction

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6. Post the completed Form 9 to the CSE website in accordance with *Policy 6 – Distributions*. In addition, the completed form must be delivered to [listings@thecse.com](mailto:listings@thecse.com) with an appendix that includes the information in Table 1B for ALL places.

**Part 1. Private Placement**

**Table 1A – Summary**

Each jurisdiction in which purchasers reside	Number of Purchasers	Price per Security	Total dollar value (CDN\$) raised in the jurisdiction
Total number of purchasers:			
Total dollar value of distribution in all jurisdictions:			

**Table 1B – Related Persons**

Full Name & Municipality of Residence of Placee	Number of Securities Purchased or to be Purchased	Purchase price per Security (CDN\$)	Conversion Price (if Applicable) (CDN\$)	Prospectus Exemption	Total Securities Previously Owned, Controlled or Directed	Payment Date(1)	Describe relationship to Issuer (2)

<sup>1</sup>An issuance of non-convertible debt does not have to be reported unless it is a significant transaction as defined in Policy 7, in which case it is to be reported on Form 10.

- Total amount of funds to be raised: \_\_\_\_\_ .
- Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material. \_\_\_\_\_ .

3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: \_\_\_\_\_  
\_\_\_\_\_ .
4. If securities are issued in forgiveness of indebtedness, provide details of the debt agreement(s) or and the agreement to exchange the debt for securities.
5. Description of securities to be issued:
- (a) Class \_\_\_\_\_ .
  - (b) Number \_\_\_\_\_ .
  - (c) Price per security \_\_\_\_\_ .
  - (d) Voting rights \_\_\_\_\_ .
6. Provide the following information if warrants, (options) or other convertible securities are to be issued:
- (a) Number \_\_\_\_\_ .
  - (b) Number of securities eligible to be purchased on exercise of warrants (or options) \_\_\_\_\_  
\_\_\_\_\_ .
  - (c) Exercise price \_\_\_\_\_ .
  - (d) Expiry date \_\_\_\_\_ .
7. Provide the following information if debt securities are to be issued:
- (a) Aggregate principal amount \_\_\_\_\_ .
  - (b) Maturity date \_\_\_\_\_ .
  - (c) Interest rate \_\_\_\_\_ .
  - (d) Conversion terms \_\_\_\_\_ .
  - (e) Default provisions \_\_\_\_\_ .
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_\_ .
  - (b) Cash \_\_\_\_\_ .
  - (c) Securities \_\_\_\_\_ .
  - (d) Other \_\_\_\_\_ .
  - (e) Expiry date of any options, warrants etc. \_\_\_\_\_ .
  - (f) Exercise price of any options, warrants etc. \_\_\_\_\_ .
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship \_\_\_\_\_  
\_\_\_\_\_ .
10. Describe any unusual particulars of the transaction (i.e. tax “flow through” shares, etc.).  
\_\_\_\_\_ .
11. State whether the private placement will result in a change of control.  
\_\_\_\_\_ .
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ .
13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by National Instrument 45-102 Resale of Securities.

## Part 2. Acquisition

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

On November 15, 2021, the Issuer announced that it had entered a definitive agreement to acquire 100% of the shares of Chief Fuels Inc. (the “Chief Fuels”) from its shareholders (“Vendors”). The sole asset of Chief Fuels is real property in Grand Falls, New Brunswick with a 60,000 sq/ft industrial building (the “Facility”). Chief Fuels and the Issuer propose to (i) increase the electrical power supply to the Facility to 50 megawatts through the construction of a transmission line and installation of a capacitor bank on the property in accordance with arrangements in place with New Brunswick Power Corporation, and (ii) install blockchain mining computers for purposes of conducting a Bitcoin mining and transaction processing operation. The purchase price for the acquisition is \$250,000 in cash consideration plus up to 3,437,500 Common Shares (the “Transaction”), with 1,187,500 Common Shares to be issued at the initial closing and up to a further 2,250,000 Common Shares issuable upon the achievement of certain milestones relating to the development of the Facility.

2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material:

The definitive agreement is a share purchase agreement (the “Agreement”) among the Issuer and three corporations which are the shareholders of Chief Fuels and arm’s-length to the Issuer, being Scully Holdings Inc. (“Scully”), 691968 New Brunswick Inc./691968 Nouveau-Brunswick Inc. (“691”) and Steele Hughes Diversified Inc. (together with Scully and 691, the “Vendors”). At closing of the Transaction, the Issuer will pay \$250,000 in cash consideration and issue 1,187,500 Common Shares (the “Closing Consideration Shares”) to the Vendors. A portion of the Closing Consideration Shares, having a value of \$1,500,000 based on the closing price of the Common Shares prior to the closing date, are to be issued in satisfaction of certain indebtedness owing by Chief Fuels to the Vendors. Up to an additional 2,250,000 Common Shares will be issued by the Issuer to the Vendors following achievement of certain milestones. The milestones relate to the development of the Facility and its expansion to a 50 megawatt bitcoin mining and transaction processing operation with 2 Eh/s of blockchain computers powered by Canadian clean energy resources.

As a condition to closing, the Vendors will be entering into lock-up agreements pursuant to which the Common Shares issued to them will be subject to transfer

restrictions, such transfer restrictions being released 12 months following the date such Common Shares are issued.

The Issuer's Board of Directors has approved the Transaction, as has the board of directors and the shareholders of the Chief Fuels. Final closing remains subject to other closing conditions which are customary for a transaction of this nature, including receipt of regulatory approvals, including acceptance by the Canadian Securities Exchange. The Transaction is expected to close on or about January 4, 2022.

3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
  - (a) Total aggregate consideration in Canadian dollars: Up to \$15,650,000, based on the closing price of the Common Shares on November 12, 2021.
  - (b) Cash: \$250,000.
  - (c) Securities (including options, warrants etc.) and dollar value: Up to 3,437,500 Common Shares at an aggregate value of \$15,400,000.00<sup>1</sup>.
  - (d) Other: \_\_\_\_\_ .
  - (e) Expiry date of options, warrants, etc. if any: \_\_\_\_\_ .
  - (f) Exercise price of options, warrants, etc. if any: \_\_\_\_\_ .
  - (g) Work commitments: \_\_\_\_\_ .
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

The purchase price was determined by arm's-length negotiations between the Issuer and the Vendors. The Issuer negotiated milestones which, if not achieved, will result in a reduction of the number of shares to be issued to the Vendors.
5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: N/A.
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

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<sup>1</sup> Based on the November 12, 2021 closing price of the Common Shares of \$4.48.

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$) <sup>(1)</sup>	Conversion price (if applicable)	Prospectus Exemption	Total Securities, Previously Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(2)</sup>
Scully Holdings Inc. <sup>(3)</sup>	1,145,834	\$4.48	N/A	s. 2.16 of NI 45-106	N/A	Arm's-length
691968 New Brunswick Inc./691968 Nouveau-Brunswick Inc. <sup>(4)</sup>	1,145,833	\$4.48	N/A	s. 2.16 of NI 45-106	N/A	Arm's-length
Steele Hughes Diversified Inc. <sup>(5)</sup>	1,145,833	\$4.48	N/A	s. 2.16 of NI 45-106	N/A	Arm's-length

(1) Based on the November 12, 2021 closing price of the Common Shares.

(2) Indicate if Related Person

(3) Insiders: Michael Scully

(4) Insiders: Hermel Michaud

(5) Insiders: Jim Hughes and Peter Steele

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: The Issuer has conducted customary due diligence, including title searches, and the Agreement contains customary representations and warranties of the Vendors.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, and if a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): N/A.
- (b) Cash \_\_\_\_\_ .

- (c) Securities \_\_\_\_\_ .
- (d) Other \_\_\_\_\_ .
- (e) Expiry date of any options, warrants etc. \_\_\_\_\_
- (f) Exercise price of any options, warrants etc. \_\_\_\_\_ .

- 9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. N/A.
- 10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A.

### **Certificate Of Compliance**

The undersigned hereby certifies that:

- 1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
- 2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
- 3. the Issuer has obtained the express written consent of each applicable individual to:
  - (a) the disclosure of their information to the Exchange pursuant to this Form or otherwise pursuant to this filing; and
  - (b) the collection, use and disclosure of their information by the Exchange in the manner and for the purposes described in Appendix A or as otherwise identified by the Exchange, from time to time
- 4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).
- 5. All of the information in this Form 9 Notice of Issuance of Securities is true.

Dated November 17, 2021.

**Lindsay Forrest**

Name of Director or Senior  
Officer

**(signed) Lindsay Forrest**

Signature

**Corporate Secretary**

Official Capacity

## Appendix A

### PERSONAL INFORMATION COLLECTION POLICY REGARDING FORM 9

The Canadian Securities Exchange and its subsidiaries, affiliates, regulators and agents (collectively, “CSE or the “Exchange”) collect and use the information (which may include personal or other information) which has been provided in Form 9 for the following purposes:

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- To determine whether an individual is suitable to be associated with a Listed Issuer;
- To determine whether an issuer is suitable for listing;
- To determine whether allowing an issuer to be listed or allowing an individual to be associated with a Listed Issuer could give rise to investor protection concerns or could bring the Exchange into disrepute;
- To conduct enforcement proceedings;
- To ensure compliance with Exchange Requirements and applicable securities legislation; and
- To fulfil the Exchange’s obligation to regulate its marketplace.

The CSE also collects information, including personal information, from other sources, including but not limited to securities regulatory authorities, law enforcement and self-regulatory authorities, regulation service providers and their subsidiaries, affiliates, regulators and agents. The Exchange may disclose personal information to these entities or otherwise as provided by law and they may use it for their own investigations.

The Exchange may use third parties to process information or provide other administrative services. Any third party will be obliged to adhere to the security and confidentiality provisions set out in this policy.

All personal information provided to or collected by or on behalf of The Exchange and that is retained by The Exchange is kept in a secure environment. Only those employees who need to know the information for the purposes listed above are permitted access to the information or any summary thereof. Employees are instructed to keep the information confidential at all times.

Information about you that is retained by the Exchange and that you have identified as inaccurate or obsolete will be corrected or removed.

If you wish to consult your file or have any questions about this policy or our practices, please write the Chief Privacy Officer, Canadian Securities Exchange, 220 Bay Street – 9th Floor, Toronto, ON, M5J 2W4.