

NOTICE TO PROSPECTIVE SUBSCRIBERS

THE SECURITIES TO BE PURCHASED UNDER THIS SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY OF THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS OR PERSONS IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE U.S. STATE SECURITIES LAWS. THIS OFFERING DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, ANY OF THE SECURITIES DESCRIBED HEREIN WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS OR PERSONS IN THE UNITED STATES. "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS ASCRIBED TO THEM IN REGULATIONS UNDER THE U.S. SECURITIES ACT.

THE SECURITIES BEING OFFERED FOR SALE ONLY TO THE SPECIFIED PURCHASERS NOTED HEREIN AND ONLY WHERE THE OFFERING CAN LAWFULLY BE MADE UNDER APPLICABLE PRIVATE PLACEMENT EXEMPTIONS.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE, INVOLVE A HIGH DEGREE OF RISK AND SHOULD ONLY BE PURCHASED BY PERSONS WHO CAN AFFORD THE LOSS OF THEIR ENTIRE INVESTMENT. PROSPECTIVE INVESTORS SHOULD CAREFULLY READ AND EVALUATE THE INFORMATION SET FORTH IN THIS SUBSCRIPTION AGREEMENT BEFORE PURCHASING ANY OF SUCH SECURITIES.



FOBI AI INC.

(A British Columbia Corporation)

NON-BROKERED OFFERING UNDER THE LISTED ISSUER FINANCING EXEMPTION

UNIT SUBSCRIPTION AGREEMENT

Dated for Reference: February 2, 2024

TO: FOBI AI INC. (the "Corporation")

RE: Purchase of Units of the Corporation at a price of C\$0.07 per Unit (the "Offering").

The undersigned (the "**Investor**") hereby irrevocably subscribes for and agrees to purchase from the Corporation, on the terms and conditions set forth in this agreement (the "**Subscription Agreement**"), that number of Units of the Corporation set out below at a price of C\$0.07 per Unit, for the total subscription amount set forth below (the "**Subscription Amount**"). Each "**Unit**" consists of: (i) one (1) common share in the capital of the Corporation (each a "**Common Share**"); and (ii) one (1) common share purchase warrant of the Corporation (each a "**Warrant**"). Each Warrant shall be exercisable until the Warrant Expiry Time (as defined below) to purchase one (1) additional Common Share (a "**Warrant Share**") at an exercise price of C\$0.14.

Terms not defined herein shall have the meanings ascribed to such terms in Section 1 hereof. Unless otherwise indicated, all monetary references are in Canadian Dollars.

REGISTRATION AND DELIVERY INSTRUCTIONS

Number of Units of the Corporation (“Units”) _____
C\$0.07 per Unit for a total Subscription Amount of C\$ _____

EXECUTION BY SUBSCRIBER:

Signature of individual (if Subscriber **is** an individual)

Address of Subscriber

Authorized signatory (if Subscriber is **not** an individual)

Telephone number of Subscriber

E-mail address of Subscriber

Name of Subscriber (**please print**)

Name of authorized signatory (**please print**)

<u>Register the Units as follows:</u>
_____ (Name)
_____ (Account reference, if applicable)
_____ (Address)
_____ (Address)

<u>Deliver the Units as follows:</u>
_____ (Name)
_____ (Account reference, if applicable)
_____ (Contact Name)
_____ (Address)
_____ (Address)

Insider Status

The Subscriber is [check appropriate box]:

an "insider" of the Corporation as defined in the *Securities Act* (British Columbia) (see below); or
not an "insider" of the Corporation as defined in the *Securities Act* (British Columbia).

Note:

The definition of "insider" includes a person that:

- (i) is a director or officer of the Corporation;
- (ii) is a director or officer of a person or company that is itself an insider or subsidiary of the Corporation;
- (iii) is a person or a company that has:
 - a. beneficial ownership of, or control or direction over, directly or indirectly; or
 - b. a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of an issuer carrying more than 10% of the voting rights attached to all the Corporation's outstanding voting securities;
- (iv) the Corporation itself, if it holds securities of its own issue; or
- (v) a person designated as an insider under the *Securities Act* (Ontario).

Registrant Status

The Subscriber is [check appropriate box]:

registered or required to be registered pursuant to National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations*; or
not registered or required to be registered pursuant to National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Present Holdings

The Subscriber currently holds (prior to the purchase of the Units set out in this Subscription Agreement) the following securities of the Corporation [please write "None" if no other securities of the Corporation held]:

Pro-Group Status

The Subscriber is [check appropriate box]:

a member of the "pro group" as defined in the policies of the TSX Venture Exchange; or
not a member of the "pro group" as defined in the policies of the TSX Venture Exchange.

TSXV Form 4C

If the Purchaser is not an individual, please complete and return Form 4C – Corporate Placee Registration Form of the TSX Venture Exchange ("Form 4C") attached hereto as Schedule B.

NOTE: The information collected herein will be used by the Corporation in determining whether the Subscriber meets the requirements of the applicable prospectus exemptions, for making certain filings with applicable regulatory authorities and for meeting the Corporation's obligations under securities legislation with respect to the mailing of continuous disclosure materials to the Subscriber, if applicable.

Payment of the Subscription Amount:

Payment of the Subscription Amount must be made by (a) certified cheque or bank draft payable to “**Fobi AI Inc.**”; or (b) wire transfer in accordance with the wire transfer instructions provided below:

Beneficiary Bank:	Royal Bank of Canada 685 West Hastings Street Vancouver, BC, Canada V5B 1N9
Swift Code:	ROYCCAT2
Transit No./Institution No:	06550
Beneficiary Account No.:	1021740
Beneficiary Account Name:	Fobi AI Inc. Suite 200, 560 Beatty Street Vancouver, BC, Canada V6B 2LS

ALL FUNDS MUST BE SENT IN CANADIAN DOLLARS

ACCEPTANCE

Accepted and agreed to by the Corporation as of the _____ day of _____, 2024.

FOBI AI INC.

by its authorized signatory

TERMS AND CONDITIONS

TO THE SUBSCRIPTION AGREEMENT FOR PURCHASE OF THE SECURITIES OF FOBI AI INC.

1. Definitions

- (a) “**Agreement**” or “**Subscription Agreement**” means this subscription agreement and all schedules and forms attached hereto, and all instruments supplementing, amending or confirming this subscription agreement;
- (a) “**Applicable Securities Laws**” means the securities legislation of the Offering Jurisdictions having application, and the rules, policies, notices and orders issued by securities regulatory authorities in the Offering Jurisdictions having application to this Offering and the Corporation;
- (b) “**Closing**” means a completion of an issue and sale by the Corporation and the purchase by the Subscribers of the Units pursuant to this Subscription Agreement;
- (c) “**Closing Date**” means the date or dates on which Closing will occur;
- (d) “**Common Share**” means a common share in the capital of the Corporation;
- (e) “**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;
- (f) “**Offering**” means the sale by the Corporation of the Units on the terms set forth in this Agreement and subscription agreements entered into by the Corporation with other Subscribers;
- (g) “**Offering Document**” means the offering document on Form 45-106F19 prepared by the Corporation in connection with the Offering, as may be amended or replaced from time to time, a copy of which is available and can be accessed under the Corporation’s profile at www.sedarplus.ca and on the Corporation’s website at www.fobi.ai;
- (h) “**Offering Jurisdictions**” means each of the Provinces and Territories of Canada (other than Quebec) and such other jurisdictions as may be determined by the Corporation from which the Corporation accepts a subscription for Units under the Offering;
- (i) “**Proceeds**” means the gross proceeds of the Offering;
- (j) “**Regulation D**” means Regulation D under the U.S. Securities Act;
- (k) “**Regulation S**” means Regulation S under the U.S. Securities Act;
- (l) “**SEC**” means the United States Securities and Exchange Commission;
- (m) “**Securities**” means the Common Shares and the Warrants that constitute the Units sold pursuant to the Offering, and any Warrant Shares issued upon exercise of the Warrants;
- (n) “**Subscriber**” means the person or persons named as Subscriber on the execution page of this Subscription Agreement and if more than one person is so named, means all of them jointly and severally;

- (o) **"Subscription Amount"** means the aggregate subscription amount for the Units paid by the Subscriber as set forth on the execution page of this Agreement;
- (p) **"TSXV"** means the TSX Venture Exchange;
- (q) **"Unit"** means a unit subscribed for hereunder consisting of: (i) one (1) Common Share; and (ii) one (1) Warrant;
- (r) **"United States"** means the United States of America, its territories, and State of the United States and the District of Columbia;
- (s) **"U.S. Accredited Investor"** means an "accredited investor" as that term is defined in Rule 501(a) of Regulation D;
- (t) **"U.S. Person"** means a U.S. Person as defined in Rule 902(k) of Regulation S;
- (u) **"U.S. Purchaser"** is (a) any "U.S. Person" as defined in Regulation S, (b) any person purchasing the Units on behalf of any "U.S. Person" or any person in the United States, (c) any person who receives or received an offer of the Units while in the United States, or (d) any person who is or was in the United States at the time the Subscriber's buy order was made or this Agreement was executed or delivered (provided that any discretionary or similar account excluded from the definition of U.S. Person pursuant to Rule 902(k)(2)(i) of Regulation S under the U.S. Securities Act shall not be considered a U.S. Purchaser);
- (v) **"U.S. Securities Act"** means the *Securities Act of 1933*, as amended, of the United States of America;
- (w) **"Warrant"** means a warrant to purchase one (1) Common Share of the Corporation for the Warrant Exercise Price until the Warrant Expiry Time, as provided in this Subscription Agreement;
- (x) **"Warrant Certificate"** means the form of certificate to be issued by the Company evidencing the Warrants;
- (y) **"Warrant Exercise Price"** means, subject to adjustment as provided in the Warrant Certificate, C\$0.14 per Common Share;
- (z) **"Warrant Expiry Time"** means the expiry time of the Warrants, as set forth in the Warrant Certificate, which will be 4:30 p.m. (Vancouver time) on the Warrant Expiry Date;
- (aa) **"Warrant Expiry Date"** means the earlier of: (i) the thirty-six (36) month anniversary of the date of issuance of the Warrants; and (ii) in the event the volume weighted average price of the Common Shares on the TSXV for any continuous 10 trading day period meets or exceeds \$0.21 following the closing of the Offering (the **"Acceleration Condition"**), the date that is thirty (30) days following the issuance of a news release by the Corporation announcing the acceleration of the expiry of the Warrants, which such news release may be issued at any time following the trigger of the Acceleration Condition (the **"Acceleration Right"**), and, for avoidance of doubt, the Corporation shall not be obligated to exercise the Acceleration Right at any time;
- (bb) **"Warrantholder"** means a holder of Warrants; and
- (cc) **"Warrant Share"** means each Common Share in the capital of the Corporation issuable upon exercise of the Warrants.

2. The Subscription and the Offering

- 2.1. The Subscriber hereby irrevocably subscribes for and agrees to purchase from the Corporation on the terms and conditions set forth herein, the number of Units for the aggregate Subscription Amount set out on the execution page of this Subscription Agreement. This Subscription Agreement will be deemed to have been made and be effective only upon its acceptance by the Corporation.
- 2.2. The Subscriber acknowledges and agrees (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that the Units subscribed for by it hereunder form part of a larger Offering that the Corporation is conducting without the benefit of an agent or an underwriter. The Offering may close on more than one Closing Date and may be closed in whole or in part and from time to time. There is no minimum number of Units that must be sold before the Offering completes. The Corporation may pay finder's fees or commissions in connection with sales of Units under the Offering subject to compliance with applicable law.
- 2.3. The Subscriber acknowledges that the Offering is being conducted in reliance upon the listed issuer financing exemption provided under Part 5A under NI 45-106, and in connection therewith, the Subscriber acknowledges that it has been advised and has reviewed a copy of the Offering Document, a copy of which is available and can be accessed under the Corporation's profile at www.sedarplus.ca and on the Corporation's website at www.fobi.ai.
- 2.4. The Subscriber (and any beneficial purchaser for which the Subscriber is contracting hereunder) acknowledges and agrees that:
 - (a) each Unit issued will consist of one (1) Common Share and one (1) Warrant;
 - (b) the Warrants will be governed by the terms and conditions set out in definitive Warrant Certificates to be issued by the Corporation at Closing; and
 - (c) under the terms of the Warrants, the Warrantholder will be entitled to exercise the Warrants up to the Warrant Expiry Time, and if the Warrantholder does not exercise the Warrants by the Warrant Expiry Time, the Warrant and the rights provided under the Warrant Indenture will terminate.
- 2.5. The Subscriber agrees to deliver to the Corporation not later than 10:00 am (Vancouver Time) on the day that is two days before the Closing Date for and on behalf of the Corporation:
 - (a) a completed and duly signed copy of this Subscription Agreement;
 - (b) any other documents required by Securities Laws which the Corporation reasonably request; and
 - (c) a certified cheque or bank draft payable to the Corporation representing the aggregate Subscription Amount payable by the Subscriber for the Units, or payment of the same amount in such other manner as the Corporation may accept.
- 2.6. The Subscriber acknowledges and agrees that such undertakings, questionnaires and other documents, when executed and delivered by the Subscriber, will form part of and will be incorporated into this Subscription Agreement with the same effect as if each constituted a representation and warranty or covenant of the Subscriber hereunder in favour of the Corporation. The Subscriber consents to the filing of such undertakings, questionnaires and other documents as may be required to be filed with any stock exchange or other securities regulatory authority in connection with the transactions

contemplated hereby. The Subscriber acknowledges and agrees that this offer, the Subscription Amount and any other documents delivered in connection herewith will be held by the Corporation until such time as the conditions referred to in section 9 below are satisfied or waived by the Corporation.

3. Closing

- 3.1. The transactions contemplated hereby will be completed at the Closing at the offices of MLT Aikins LLP, counsel to the Corporation, in Vancouver, British Columbia, or such other place as the Corporation may determine. The Subscriber acknowledges that the Units will be available for delivery to it at the Closing against payment of the amount of the aggregate Subscription Amount for the Units.
- 3.2. The Subscriber will take up, purchase and pay for the Units at the Closing upon acceptance of this offer by the Corporation and the satisfaction by the Corporation, or waiver by the Corporation of the conditions referred herein.
- 3.3. The Corporation may complete the sales of Units in the Offering in multiple Closings.

4. Subscriber's Status

- 4.1. All Subscribers. In order to confirm that the issuance of the Units to the Subscriber is exempt from prospectus requirements under Applicable Securities Laws in Canada, the Subscriber represents and warrants to the Corporation that the Subscriber is resident in and was solicited to purchase the Units under the Offering in the jurisdiction set forth in page 2 hereof.
- 4.2. U.S. Securities Law Matters. The Subscriber:
 - (a) acknowledges the Units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
 - (b) is aware that the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state and that these securities may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that the Corporation has no obligation to or present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities;
 - (c) is not a U.S. Person (as defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Securities on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person; and
 - (d) undertakes and agrees that it will not offer or sell the Securities in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that it will not resell the Securities, except in accordance with the provisions of Applicable Securities

Laws, regulations, rules, policies and orders and the rules of any stock exchange, as applicable.

5. Subscriber's Representations, Warranties and Acknowledgements

- 5.1. The Subscriber represents and warrants and acknowledges and agrees with (on its own behalf and, if applicable, on behalf of each beneficial purchaser for whom the Subscriber is contracting hereunder) the Corporation that:
- (a) the Subscriber's investment in the Corporation is speculative as the Corporation is an early stage issuer and has not generated material revenues and accordingly involves a high degree of risk and only investors who can afford to lose their entire investment should invest in the Offering;
 - (b) other than the Offering Document, the Subscriber has not received nor been provided with, nor has the Subscriber requested, nor does the Subscriber have any need to receive, any offering memorandum, any prospectus, sales or advertising literature, or any other similar document (other than, if any, an annual report, annual information form, interim report, information circular, take-over bid circular, issuer bid circular, prospectus, or other continuous disclosure document, the content of which, if applicable, is prescribed by Applicable Securities Laws and that, in each case, has been filed, if applicable, with applicable securities commissions) describing, or purporting to describe, the business and affairs of the Corporation which has been prepared for delivery to, and review by, prospective purchasers in order to assist such prospective purchasers in making an investment decision in respect of the Units;
 - (c) the Subscriber has only relied upon publicly available information relating to the Corporation in relation to the Offering, its decision to execute this Subscription Agreement and purchase the Units agreed to be purchased hereunder has not been based upon any oral or written representation as to fact or otherwise made by or on behalf of the Corporation, and the Subscriber acknowledges that the Corporation has not made any written representations, warranties or covenants in respect of such publicly available information except as set forth in the Offering Document;
 - (d) the Subscriber is not purchasing the Units with knowledge of any material fact or material change about the Corporation that has not been generally disclosed and the decision of the Subscriber, to acquire Units has not been made as a result of any oral or written representation as to fact or otherwise made by, or on behalf of, the Corporation or any other person and is based entirely upon the Offering Document;
 - (e) no prospectus has been filed or will be filed by the Corporation with any securities commission or similar authority, in connection with the issuance of the Securities and the Offering, and the issuance and the sale of the Securities is subject to such sale being exempt from the prospectus and registration requirements under Applicable Securities Laws and accordingly:
 - (i) the Subscriber is restricted from using certain of the civil remedies available under such legislation;
 - (ii) the Subscriber may not receive information that might otherwise be required to be provided to it under such legislation; and
 - (iii) the Corporation is relieved from certain obligations that would otherwise apply under such legislation;

- (f) the Corporation has no obligation to file a prospectus qualifying the distribution of the Securities in any jurisdiction where the Offering is made and has no intention to do so;
- (g) the Subscriber (or others for whom the Subscriber is contracting hereunder) has been advised to consult its own independent legal, tax and business advisors with respect to the merits and risks of an investment in the Securities and with respect to applicable laws (including Applicable Securities Laws) and it (or others for whom it is contracting hereunder) shall take all necessary action to comply with such laws, and it acknowledges that the Corporation's counsel is acting solely as counsel to the Corporation and not as counsel to the Subscriber;
- (h) if the Subscriber is: (i) a corporation, the Subscriber is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to subscribe for the Units pursuant to the terms set out in the Offering Document; (ii) a partnership, syndicate or other form of unincorporated organization, the Subscriber has the necessary legal capacity and authority to subscribe for the Units pursuant to the terms set out in the Offering Document and has obtained all necessary approvals in respect thereof; or (iii) an individual, the Subscriber is of the full age of majority and is legally competent to subscribe for the Units pursuant to the terms set out in the Offering Document;
- (i) the subscription for the Units and the completion of the transactions described herein by the Subscriber will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constating documents, bylaws or resolutions of the Subscriber if the Subscriber is not an individual, the Applicable Securities Laws or any other laws applicable;
- (j) the Subscriber has obtained all necessary consents and authorities to enable it to agree to subscribe for the Units pursuant to the terms set out in the Offering Document and the Subscriber has otherwise observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in any territory in connection with the purchase of the Units and the Subscriber has not taken any action which will or may result in the Corporation acting in breach of any regulatory or legal requirements of any territory in connection with the Offering or the Subscriber's subscription;
- (k) to the knowledge of the Subscriber, the sale of the Units to the Subscriber was not accompanied by any advertisement;
- (l) the offer made by this Subscription Agreement is irrevocable (subject to the right of the Corporation to terminate this Subscription Agreement) and requires acceptance by the Corporation;
- (m) this Subscription Agreement is not enforceable by the Subscriber unless it has been accepted by the Corporation and the Subscriber waives any requirement on the Corporation's behalf to communicate immediately its acceptance of this Subscription Agreement to the Subscriber;
- (n) the Subscriber is sophisticated in financial investments, has such knowledge in the financial and business affairs of the Corporation as to be capable of evaluating the merits and risks of its investment in the Units (including the potential loss of its entire investment);

- (o) the Subscriber has been independently advised as to any restrictions that may be imposed in respect of the Securities by Applicable Securities Laws and regulatory policies and confirms that no representations by the Corporation has been made respecting such restrictions, and is aware of the risks and other characteristics of the Securities;
- (p) if the Subscriber is resident in or otherwise subject to Applicable Securities Laws of a jurisdiction other than Canada or the United States, the Subscriber confirms, represents and warrants that: (a) the Subscriber is knowledgeable of, or has been independently advised as to, the Applicable Securities Laws of the jurisdiction in which the Subscriber is resident (the “**International Jurisdiction**”) and which would apply to the acquisition of the Securities; (b) the Subscriber is purchasing the Securities pursuant to exemptions from prospectus or registration requirements or equivalent requirements under Applicable Securities Laws or, if such is not applicable, the Subscriber is permitted to purchase the Securities under the Applicable Securities Laws of the International Jurisdiction without the need to rely on any exemptions; (c) the Applicable Securities Laws of the International Jurisdiction do not require the Corporation to make any filings or seek any approvals of any kind whatsoever from any securities regulator of any kind whatsoever in the International Jurisdiction in connection with the issue and sale or resale of the Securities; and (d) the purchase of the Securities by the Subscriber does not trigger: (i) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such purchase in the International Jurisdiction; or (ii) any continuous disclosure reporting obligation of the Corporation in the International Jurisdiction; and (e) the Subscriber will, if requested by the Corporation, deliver to the Corporation a certificate or opinion of local counsel from the International Jurisdiction which will confirm the matters referred to in subsections (ii), (iii) and (iv) above to the satisfaction of the Corporation acting reasonably;
- (q) the subscription for the Units by the Subscriber does not contravene any of the Applicable Securities Laws in the jurisdiction in which the Subscriber resides and does not give rise to any obligation of the Corporation to prepare and file a prospectus, registration statement or similar document or to register the Securities or to be registered with or to file any report or notice with any governmental or regulatory authority, other than standard post-closing filings required to be made in Canada for offerings exempt from the registration requirements;
- (r) while the Corporation intends to use the Proceeds as set out in the Offering Document, the Corporation will have complete discretion as to the use of the Proceeds of the Offering and there is no assurance that these Proceeds will be sufficient for the Corporation to execute on its business plan or to achieve revenues or profitability;
- (s) no agency, governmental authority, regulatory body, stock exchange or other entity has made any finding or determination as to the merit for investment of, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to, the Securities;
- (t) the Corporation will rely on the representations and warranties made herein or otherwise provided by the Subscriber to the Corporation in completing the sale and issue of the Securities to the Subscriber;
- (u) no person has made to the Subscriber any written or oral representations:
 - (i) that any person will resell or repurchase the Securities;

- (ii) that any person will refund the Subscription Amount for the Securities;
 - (iii) as to the future price or value of the Securities; or
 - (iv) that the Warrants will be listed and posted for trading on any stock exchange or that application has been made to list the Warrants of the Corporation on any stock exchange;
- (v) the Subscriber acknowledges that:
- (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Securities;
 - (ii) there is no government or other insurance covering the Securities;
 - (iii) there are risks associated with the purchase of the Securities;
 - (iv) it is the responsibility of the Subscriber to comply with any restrictions applicable to the Securities with them before selling the Securities; and
 - (v) the Corporation has advised the Subscriber that the Corporation is relying on an exemption from the requirements to provide the Subscriber with a prospectus and to sell the Securities through a person registered to sell the Securities under Applicable Securities Laws and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by Applicable Securities Laws, including statutory rights of rescission or damages, will not be available to the Subscriber;
- (w) the Subscriber either (A) is not an “insider” of the Corporation, a “registrant” (each as defined under Applicable Securities Laws) nor a member of the “pro group” as defined in the policies of the TSXV or (B) has identified itself to the Corporation as either an “insider”, a “registrant” (each as defined under Applicable Securities Laws) or a member of the “pro group” as defined in the policies of the TSXV;
- (x) the Subscriber is purchasing the Securities as principal for its own account, it is purchasing such Securities not for the benefit of any other person, and not with a view to the resale or distribution of the Securities;
- (y) the Subscriber has duly and validly authorized, executed and delivered this Subscription Agreement and understands it is intended to constitute a valid and binding agreement of the Subscriber enforceable against the Subscriber;
- (z) the funds representing the subscription funds to be provided by the Subscriber to the Corporation will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the name of the Subscriber and other information relating to this Agreement and the subscription of the Subscriber, on a confidential basis, pursuant to such acts. To the best of its knowledge (i) none of the subscription funds to be provided by the Subscriber (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States of America, or any jurisdiction, or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (ii) it will promptly notify the Corporation if

the Subscriber discovers that any of such representations ceases to be true, and provide the Corporation with appropriate information in connection therewith; and

- (aa) all costs and expenses incurred by the Subscriber (including any fees and disbursements of any special counsel or other advisors retained by the Subscriber) relating to the purchase of the Securities will be borne by the Subscriber.

6. Reliance Upon Representations, Warranties, Covenants, Acknowledgements and Agreements

- 6.1. The Subscriber acknowledges that the representations, warranties, covenants, acknowledgements and agreements contained in this Agreement are made with the intent that they may be relied upon by the Corporation. The Subscriber covenants that the foregoing representations, warranties, covenants, acknowledgements and agreements will be true as at the date of issuance of the Securities and agrees that they will survive the purchase by the Subscriber of the Securities.

7. Representations of the Corporation

- 7.1. The Corporation represents and warrants to the Subscriber (and acknowledges that the Subscriber is relying thereon) that, as of the date of this Subscription Agreement and at Closing hereunder:
 - (a) the Corporation is a valid and subsisting corporation duly incorporated and in good standing under the laws of the Province of British Columbia, and is duly qualified to carry on business in the Province of British Columbia and in each other jurisdiction, if any, wherein the carrying out of the activities contemplated makes such qualifications necessary;
 - (b) the Corporation has the full corporate right, power and authority to execute this Subscription Agreement, and, at Closing, to issue the Units to the Subscriber pursuant to the terms of this Subscription Agreement;
 - (c) as of Closing, the Common Shares issued to the Subscriber will be duly allotted, validly issued, fully paid and non-assessable shares in the capital of the Corporation;
 - (d) as of Closing, the Warrants will constitute binding obligations of the Corporation that have been duly and validly authorized and are enforceable in accordance with their terms;
 - (e) upon exercise of the Warrants in accordance with their terms, including payment of the Warrant Exercise Price in full, the Warrant Shares will be duly allotted, validly issued, fully paid and non-assessable shares in the capital of the Corporation;
 - (f) as of Closing, this Subscription Agreement will have been duly authorized by all necessary corporate action on the part of the Corporation and, subject to acceptance by the Corporation, constitute a valid obligation of the Corporation legally binding upon it and enforceable in accordance with its terms; and
 - (g) the authorized capital of the Corporation consists of an unlimited number of Common Shares.

8. Conditions of Closing

- 8.1. The obligations of the Corporation to complete the sale and issuance of the Units as contemplated hereby shall be conditional upon:
- (a) the Corporation accepting this Subscription Agreement;
 - (b) the Subscriber (and any beneficial purchaser for which the Subscriber is contracting hereunder) signing and returning to the Corporation all relevant documentation required by Applicable Securities Laws;
 - (c) the representations and warranties of the Subscriber contained in this Subscription Agreement being true and correct on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing Date;
 - (d) the sale of the Units to the Subscriber being exempt from any registration, prospectus and offering memorandum requirements in accordance with Applicable Securities Laws;
 - (e) the receipt of such regulatory and third party approvals as may be necessary or deemed desirable by the Corporation in connection with the Offering, including, if applicable, the approval of the TSXV;
 - (f) the Subscriber's completion and submission to the Corporation of such additional undertakings, questionnaires and documents as any securities regulatory authorities or stock exchanges may request in connection with the issue and sale of the Units to the satisfaction of such securities regulatory authorities; and
 - (g) all of the covenants and obligations of the Subscriber to be performed or observed on or before the Closing pursuant to this Subscription Agreement having been duly performed or observed.

9. Consent to Disclosure of Information

- 9.1. The Subscriber acknowledges and consents to the release by the Corporation of information regarding the Subscriber's subscription including the Subscriber's name, address, telephone number, e-mail address and the Units purchased, in compliance with securities regulatory policies to regulatory authorities under Applicable Securities Laws and the Subscriber waives to the extent lawful, its rights under any privacy legislation. The contact information of the public official in each applicable Canadian jurisdiction who can answer questions about this indirect collection of Subscriber's personal information is set out in Schedule A hereto.
- 9.2. In addition to the foregoing, the Subscriber agrees and acknowledges that the Corporation may use and disclose the Subscriber's personal information, or that of each beneficial purchaser for whom the Subscriber are contracting hereunder, as follows:
- (a) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the Subscriber or any beneficial purchaser for whom the Subscriber is contracting hereunder;
 - (b) for use and disclosure to the Corporation's transfer agent and registrar;
 - (c) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency;

- (d) disclosure to securities regulatory authorities (including any stock exchange) and other regulatory bodies with jurisdiction with respect to reports of trade and similar regulatory filings;
- (e) disclosure to a governmental or other authority (including any stock exchange) to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
- (f) disclosure to professional advisers of the Corporation in connection with the performance of their professional services;
- (g) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Subscriber's prior written consent;
- (h) disclosure to a court determining the rights of the parties under this Subscription Agreement; or
- (i) for use and disclosure as otherwise required or permitted by law.

10. Indemnity

- 10.1. The Subscriber agrees to indemnify and hold harmless the Corporation and their respective affiliates, partners, directors, officers, employees, agents, advisers and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, law suit, administrative proceeding or investigation whether commenced or threatened) arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Corporation in connection herewith being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Corporation in connection herewith.

11. General

- 11.1. Time is of the essence hereof.
- 11.2. Neither this Subscription Agreement nor any provision hereof will be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.
- 11.3. Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.
- 11.4. The parties hereto will execute and deliver all such further documents and instruments and do all such acts and things as may either before or after the execution of this Subscription Agreement be reasonably required to carry out the full intent and meaning of this Subscription Agreement.
- 11.5. This Subscription Agreement will be subject to, governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada as applicable therein and the Subscriber hereby irrevocably attorns to the jurisdiction of the courts situated therein.
- 11.6. This Subscription Agreement may not be assigned by any party hereto.

- 11.7. The Corporation will be entitled to rely on delivery of a facsimile or email copy of this Subscription Agreement, and acceptance by the Corporation of a facsimile or email copy of this Subscription Agreement will create a legal, valid and binding agreement between the Subscriber and the Corporation in accordance with its terms.
- 11.8. This Subscription Agreement may be signed by the parties in as many counterparts as may be deemed necessary, each of which so signed will be deemed to be an original, and all such counterparts together will constitute one and the same instrument.
- 11.9. This Subscription Agreement is deemed to be entered into on the acceptance date by the Corporation, notwithstanding its actual date of execution by the Subscriber.
- 11.10. This Subscription Agreement, including, without limitation, the representations, warranties, acknowledgements and covenants contained herein, will survive and continue in full force and effect and be binding upon the parties notwithstanding the completion of the purchase of the Securities by the Subscriber pursuant hereto, the completion of the issue of Securities of the Corporation and any subsequent disposition by the Subscriber of the Securities.
- 11.11. The invalidity or unenforceability of any particular provision of this Subscription Agreement will not affect or limit the validity or enforceability of the remaining provisions of this Subscription Agreement.
- 11.12. Except as expressly provided in this Subscription Agreement and in the agreements, instruments and other documents contemplated or provided for herein, this Subscription Agreement contains the entire agreement between the parties with respect to the sale of the Securities and there are no other terms, conditions, representations or warranties, whether expressed, implied, oral or written, by statute, by common law, by the Corporation, by the Subscriber, or by anyone else.
- 11.13. Unless otherwise indicated, all monetary amounts are in Canadian dollars.
- 11.14. Les parties aux présents ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent ou qui en découleront soient rédigés dans la langue anglaise. The parties have required that this Agreement and all documents and notices resulting from it be drawn up in English.

-- End of Terms and Conditions --

SCHEDULE A

**TO
THE SUBSCRIPTION AGREEMENT OF
FOBI AI INC.**

CONTACT INFORMATION OF CANADIAN SECURITIES ADMINISTRATORS

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
 Calgary, Alberta T2P 0R4
 Telephone: (403) 297-6454
 Toll free in Canada: 1-877-355-0585
 Facsimile: (403) 297-2082

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
 701 West Georgia Street
 Vancouver, British Columbia V7Y 1L2
 Inquiries: (604) 899-6854
 Toll free in Canada: 1-800-373-6393
 Facsimile: (604) 899-6581
 Email: inquiries@bcsc.bc.ca

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 - 1919 Saskatchewan Drive
 Regina, Saskatchewan S4P 4H2
 Telephone: (306) 787-5879
 Facsimile: (306) 787-5899

The Manitoba Securities Commission

500 – 400 St. Mary Avenue
 Winnipeg, Manitoba R3C 4K5
 Telephone: (204) 945-2548
 Toll free in Manitoba 1-800-655-5244
 Facsimile: (204) 945-0330

Ontario Securities Commission

20 Queen Street West, 22nd Floor
 Toronto, Ontario M5H 3S8
 Telephone: (416) 593- 8314
 Toll free in Canada: 1-877-785-1555
 Facsimile: (416) 593-8122
 Email: exemptmarketfilings@osc.gov.on.ca
 Public official contact regarding indirect collection of information: Inquiries Officer

Autorité des marchés financiers

800, Square Victoria, 22e étage
 C.P. 246, Tour de la Bourse
 Montréal, Québec H4Z 1G3
 Telephone: (514) 395-0337 or
 1-877-525-0337
 Facsimile: (514) 873-6155 (For filing purposes only)
 Facsimile: (514) 864-6381 (For privacy requests only)
 Email:
 financementdessocietes@lautorite.qc.ca (For corporate finance issuers);
 fonds_dinvestissement@lautorite.qc.ca (For investment fund issuers)

Government of Newfoundland and**Nova Scotia Securities Commission**

Suite 400, 5251 Duke Street
 Duke Tower
 P.O. Box 458
 Halifax, Nova Scotia B3J 2P8
 Telephone: (902) 424-7768 Facsimile: (902) 424-4625

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
 P.O. Box 2000
 Charlottetown, Prince Edward Island C1A 7N8
 Telephone: (902) 368-4569
 Facsimile: (902) 368-5283

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
 Saint John, New Brunswick E2L 2J2
 Telephone: (506) 658-3060
 Toll free in Canada: 1-866-933-2222
 Facsimile: (506) 658-3059
 Email: info@fcbn.ca

Government of the Northwest Territories Office of the Superintendent of Securities

P.O. Box 1320
 Yellowknife, Northwest Territories X1A 2L9
 Attention: Deputy Superintendent, Legal & Enforcement
 Telephone: (867) 920-8984 Facsimile: (867) 873-0243

Government of Nunavut Department of Justice

Legal Registries Division
 P.O. Box 1000, Station 570
 1st Floor, Brown Building
 Iqaluit, Nunavut X0A 0H0
 Telephone: (867) 975-6590
 Facsimile: (867) 975-6594

Government of Yukon Department of Community Services

Law Centre, 3rd Floor
 2130 Second Avenue
 Whitehorse, Yukon Y1A 5H6
 Telephone: (867) 667-5314
 Facsimile: (867) 393-6251

SCHEDULE B
TO
THE SUBSCRIPTION AGREEMENT OF
FOBI AI INC.

TSXV FORM 4C

CORPORATE PLACEE REGISTRATION FORM

This Form will remain on file with the Exchange and must be completed if required under section 4(b) of Part II of Form 4B. The corporation, trust, portfolio manager or other entity (the "**Placee**") need only file it on one time basis, and it will be referenced for all subsequent Private Placements in which it participates. If any of the information provided in this Form changes, the Placee must notify the Exchange prior to participating in further placements with Exchange listed Issuers. If as a result of the Private Placement, the Placee becomes an Insider of the Issuer, Insiders of the Placee are reminded that they must file a Personal Information Form (2A) or, if applicable, Declarations, with the Exchange.

1. Placee Information:

- (a) Name:
- (b) Complete Address: _____
- (c) Jurisdiction of Incorporation or Creation: _____

2. (a) Is the Placee purchasing securities as a portfolio manager: (Yes/No)? _____

- (b) Is the Placee carrying on business as a portfolio manager outside of Canada: (Yes/No)? _____

3. If the answer to 2(b) above was "Yes", the undersigned certifies that:

- (a) it is purchasing securities of an Issuer on behalf of managed accounts for which it is making the investment decision to purchase the securities and has full discretion to purchase or sell securities for such accounts without requiring the client's express consent to a transaction;
- (b) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a "portfolio manager" business) in _____ [jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;
- (c) it was not created solely or primarily for the purpose of purchasing securities of the Issuer;
- (d) the total asset value of the investment portfolios it manages on behalf of clients is not less than \$20,000,000; and
- (e) it has no reasonable grounds to believe, that any of the directors, senior officers and other insiders of the Issuer, and the persons that carry on investor relations activities for the Issuer has a beneficial interest in any of the managed accounts for which it is purchasing.

4. If the answer to 2(a) above was "No", please provide the names and addresses of Control Persons of the Placee:

Name *	City	Province or State	Country

* If the Control Person is not an individual, provide the name of the individual that makes the investment decisions on behalf of the Control Person.

5. Acknowledgement - Personal Information and Securities Laws

(a) "Personal Information" means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
 - (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.
- (b) The undersigned acknowledges that it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions.

Dated and certified (if applicable), acknowledged and agreed, at _____
on _____

(Name of Purchaser - please print)

(Authorized Signature)

(Official Capacity - please print)

(Please print name of individual whose signature appears above)

THIS IS NOT A PUBLIC DOCUMENT