

VAIVE AND ASSOCIATES

Professional Corporation

February 15, 2023

Mr. James Walker
LevelUp Social Inc.
184 Rainbow Valley Drive
Ottawa, Ontario
K7A 5B8

Dear Mr. Walker:

You have requested that, on the basis of information that you will provide, we assist you in the preparation of the compiled financial information of LevelUp Social Inc., which comprise the balance sheet as at December 31, 2022, and the statement of loss and retained earnings for the year then ended, and Note 2, which describes the basis of accounting to be applied in the preparation of the compiled financial information.

Intended Use of the Compiled Financial Information

The compiled financial information is intended to be used by management of LevelUp Social Inc. and third parties, being current or potential lenders for borrowing purposes. Those parties are in a position to request and obtain further information from the entity.

We are pleased to confirm our acceptance and our understanding of this compilation engagement (the "Engagement") by means of this letter.

Our Responsibilities

We will perform the compilation engagement in accordance with the Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements.

A compilation engagement involves us assisting you in the preparation of compiled financial information. Since a compilation engagement is not an assurance engagement, we are not required to perform procedures to verify the accuracy or completeness of the information you provide to us for the compilation engagement. Accordingly, we will not express an audit opinion or a review conclusion, or provide any form of assurance on the compiled financial information.

Management's Responsibilities

The compilation engagement is performed on the basis that you acknowledge that:

- a. The third party that intends to use the compiled financial information is in a position to request and obtain further information from the entity;
- b. A compilation engagement is appropriate for the intended use;
- c. You understand that a compilation engagement will not fulfill the entity's legal, regulatory or contractual provisions, if any, for an audit engagement or a review engagement; and
- d. You understand that the compiled financial information should not be used by third parties other than those who are in a position to request or obtain further information from the entity or have agreed with you the basis of accounting applied in the preparation of the compiled financial information.

Further, you acknowledge that you are responsible for:

- a. The compiled financial information;
- b. Selecting the basis of accounting to be applied in the preparation of the compiled financial information that is appropriate for the intended use;
- c. The accuracy and completeness of the information provided to us; and
- d. Attaching the compilation engagement report when distributing or reproducing the compiled financial information.

Reporting

Unless unanticipated difficulties are encountered, our communication will be substantially in the following form:

COMPILATION ENGAGEMENT REPORT

On the basis of information provided by management, we have compiled the balance sheet of LevelUp Social Inc. as at December 31, 2022, the statement of loss and retained earnings for the year then ended, and Note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Ottawa, Ontario
December 31, 2022

Chartered Professional Accountants

Use of Information

It is acknowledged that we will have access to all information about identified individuals (“personal information”) in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a) You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b) We will hold personal information in compliance with our Privacy Statement.

Use and Distribution of Our Communication

The compilation of the financial information and the issuance of our Compilation Engagement communication are solely for the use of LevelUp Social Inc. and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of the compiled financial information or our Compilation Engagement communication, and we accept no responsibility for their use by any third party or any liability to anyone other than LevelUp Social Inc.

For greater clarity, our Compilation Engagement communication will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our communication should not be circulated (beyond LevelUp Social Inc.) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of LevelUp Social Inc. unless:

- We have been specifically authorized with prior consent;
- We have been ordered or expressly authorized by law or by the Code of Professional Conduct; or
- The information requested is (or enters into) public domain.

File Inspections

In accordance with professional regulations (and by firm policy), our client files must periodically be reviewed by practice inspectors and by other firm personnel to ensure that we are adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute confidential information and will be retained by us in accordance with our firm’s policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Ontario. The Province of Ontario will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Indemnity

LevelUp Social Inc. hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of (or in consequence of):

- a) The breach by LevelUp Social Inc., or its directors, officers, agents or employees, of any of the covenants made by your company herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the compiled financial information in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b) A misrepresentation by a member of your management or board of directors.

Independence

In situations where we are not independent when conducting this engagement, we will need to disclose the nature and extent of the matters which impair our independence in the Compilation Engagement report.

Fees

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable taxes, and are due when rendered. Fees for any additional services will be established separately.

Billing

Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1.5% per month. We reserve the right to suspend our services or to withdraw from this Engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party not less than 30 calendar days before the effective date of termination. If early termination takes place, LevelUp Social Inc. shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the Engagement, we may withdraw from the Engagement before issuing our Compilation Engagement communication or compiling the financial information. If this occurs, we will communicate the reasons and provide details.

Other Terms of Engagement

Subject to management review and approval, we will carry out such bookkeeping as we find necessary prior to the preparation of the financial information, prepare the necessary federal and provincial income tax returns, and prepare any special reports as required. Management will provide the information necessary to complete the returns / reports and will file them with the appropriate authorities on a timely basis.

It should be noted that our accounting work in the area of GST/HST and other commodity taxes is limited to that appropriate to compile the financial information. Accordingly, we may not detect situations where you are incorrectly collecting GST/HST or incorrectly claiming input tax credits. As you are aware, failure to properly account for the GST/HST could result in you or your company becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, custom duties, and excise taxes.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your company.

Yours very truly,
VAIVE AND ASSOCIATES PROFESSIONAL CORPORATION

Vaive and Associates

J. Rolland Vaive, CPA, CA, LPA, TEP, CPA (Illinois)
Partner

Acknowledged and agreed on behalf of LevelUp Social Inc. by:

Per: _____
James Walker

Date: _____