

**Form 45-106F6**

***British Columbia Report of Exempt Distribution***

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

**Issuer/underwriter information**

**Item 1: Issuer/underwriter name and contact information**

Engagement Labs Inc. (the “Issuer”)

5605 Avenue de Gaspé

Suite 201

Montreal, QC

H2T 2A4

Telephone: (514) 317 6448

[www.engagementlabs.com](http://www.engagementlabs.com)

**Item 2: Reporting issuer status**

Reporting Issuer in British Columbia, Alberta, Manitoba, Quebec and Ontario.

**Item 3: Issuer’s industry**

Indicate the industry of the issuer by checking the appropriate box below.

☐ Bio-tech

Financial Services

☐ investment companies and funds

☐ mortgage investment companies

☐ securitized products issuers

☐ Forestry

☐ Hi-tech

☐ Industrial

Mining

☐ exploration/development

☐ production

☐ Oil and gas

☐ Real estate

☐ Utilities

☒ Other (describe)

Technology – Application Software

**Item 4: Insiders and promoters of non-reporting issuers**

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter. **N/A**

<b>Information about insiders and promoters</b>			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)

#### **Details of distribution**

##### **Item 5: Distribution date**

May 27, 2016.

##### **Item 6: Number and type of securities**

For each security distributed:

- **describe the type of security;**

Unit comprised of one common share and one common share purchase warrant at a unit price of \$0.23 with a warrant exercise price of \$0.35 per share until May 25, 2018.

- **state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and**

10,233,656 common shares and 10,233,656 common share purchase warrants were distributed. Each warrant is exercisable into a common share at a price of \$0.35 per share until May 25, 2018.

- **if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption. **N/A****

**Item 7: Geographical information about purchasers**

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) <sup>1</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Alberta	2	0.23	127,000.00
British Columbia	1	0.23	35,019.00
Ontario	25	0.23	2,014,721.88
USA	1	0.23	150,000.12
Total number of Purchasers	29		
Total dollar value of distribution in all jurisdictions (Canadian \$)			2,326,741.00

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

**Item 8: Information about purchasers***Instructions*

A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- the following table for each purchaser that is not an individual, and
- the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or

underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

<b>Information about non-individual purchasers</b>					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
Sanctum Sanctorum Inc. 10939 80 Avenue Edmonton, AB T6G 0P9 Canada  Fabrice Taylor 780-566-8902		434,783 Units	100,000.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
1701167 Ontario Limited 52 Kingsway Crescent Etobicoke, ON M8X 2RX Canada  Frank Teti		117,391 Units	27,000.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
2180447 Ontario Limited 8 West Palm Court Toronto, ON M9M 1R7 Canada  David D'Onofrio 416-643-3880		88,043 Units	20,250.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
Patstar Inc. 66 Rowanwood Avenue Toronto, ON M4W 1Y9 Canada  G Scott Paterson 647-559-2700	I	117,391 Units	27,000.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
9665196 Canada Inc. 1 Douglas Drive Toronto, ON M4W 2B2 Canada  Adam Felesky 416-921-5739		435,000 Units	99,900.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
1242564 Ontario Inc. 15 Gracedale Boulevard Toronto, ON M9L 2B7 Canada  Alfonso DiCapo 647-221-0212		88,043 Units	20,250.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
Samara Fund Limited 497 Palmerston Boulevard Toronto, ON M6G 2P2 Canada  Ben Cubitt 416-479-5408		586,957 Units	135,000.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
Parkwood LP Fund 366 Adelaide Street West, Suite 601 Toronto, ON M5V 2R9 Canada  Dan Sternberg 416-363-9049		586,957 Units	135,000.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
<p>Timelo Strategic Opportunities Fund 372 Hollandview Trail Suite 305 Aurora, ON L4G 0A5 Canada</p> <p>Jonathon Botrie 647-725-2865</p>		1,258,435 Units	289,440.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
<p>JFT Strategies Fund 95 Wellington Street West Suite 1400 Toronto, ON M5J 2N7 Canada</p> <p>Jonathon Botrie 647-725-2865</p>		915,478 Units	210,559.77	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
<p>Front Street Capital 2004 33 Yonge Street Suite 600 Toronto, ON M5E 1G4 Canada</p> <p>Jennifer Dixon-Porco 416-915-2441</p>		434,783 Units	100,000.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
<p>Namaste Gorgie Inc. 107 Lonsdale Road Toronto, ON M4V 1W4 Canada</p> <p>Catherine Brewer-DeFrancesco 415-362-4441</p>		234,783 Units	54,000.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
JC Clark Limited 130 Adelaide Street West Suite 3400 Toronto, ON M5H 3PS Canada  Jennifer Doherty 416-361-6144		328,696 Units	75,600.00	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27
Poptech LP 110 El Mirasol Palm Beach, FL 33480 USA  Harvey L Poppel 561-653-8000		652,174 Units	150,000.12	NI 45-106 s2.3 Accredited Investor Exemption	2016-05-27

## Commissions and finder's fees

### Item 9: Commissions and finder's fees

#### Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated is an insider (I) of the issuer or a registrant (R)	Compensation paid or to be paid (cash and/or securities)				
		Cash (Canadian \$)	Securities			Total dollar value of compensation (Canadian \$)
			Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	
PowerOne Capital Markets Limited 130 King Street West, Suite 2210 Toronto ON M5X 1E4 Canada		29,970	137,348 Agent's Compensation Options	0.23	NI 45-106 s2.3 Accredited Investor Exemption 2016-05-27	29,970
Richardson GMP 145 King Street West Suite 300 Toronto ON M5H 1J8 Canada		17,526	76,200 Agent's Compensation Options	0.23	NI 45-106 s2.3 Accredited Investor Exemption 2016-05-27	17,526
BMO Nesbitt Burns 1 First Canadian Place, 39 <sup>th</sup> Floor Toronto ON M5X 1H3 Canada		11,421	49,657 Agent's Compensation Options	0.23	NI 45-106 s2.3 Accredited Investor Exemption 2016-05-27	11,421
TD Waterhouse Canada Inc. 77 Bloor Street West, 3 <sup>rd</sup> Floor Toronto ON M5S 1M2 Canada		4,892	21,271 Agent's Compensation Options	0.23	NI 45-106 s2.3 Accredited Investor Exemption 2016-05-27	4,892
Paradigm Capital 250 Yonge Street Suite 1900 Toronto ON M5B 2L7 Canada		1,380	6,000 Agent's Compensation Options	0.23	NI 45-106 s2.3 Accredited Investor Exemption 2016-05-27	1,380
Raymond James Limited 2100 – 925 West Georgia Street Vancouver BC V6C 3L2 Canada		9,639	41,909 Agent's Compensation Options	0.23	NI 45-106 s2.3 Accredited Investor Exemption 2016-05-27	9,639



PowerOne Capital Markets Limited 130 King Street West, Suite 2210 Toronto ON M5X 1E4 Canada		12,471.41	55,397 Agent's Compensation Options	0.23	NI 45-106 s2.3 Accredited Investor Exemption 2016-05-27	12,471.41
D&D Securities Inc. 133 Richmond Street West Suite 602 Toronto ON M5H 2L3 Canada		12,471.41	55,397 Agent's Compensation Options	0.23	NI 45-106 s2.3 Accredited Investor Exemption 2016-05-27	12,471.41
<b>Total</b>						<b>99,770.82</b>

Note: An Agent's Compensation Option is exercisable at \$0.23 per Compensation Option at any time before 5:00 p.m. (Toronto time) on the day that is 24 months following the Closing Date, subject to adjustment in certain events. Each Agent's Compensation Option shall consist of (i) one Common Share (each, an "Agent's Share") and (ii) one Common Share purchase warrant (each an "Agent's Warrant"), with each Agent's Warrant exercisable to acquire one additional Common Share (each, an "Agent's Warrant Share") at a price of \$0.35 per Agent's Warrant Share at any time before 5:00 p.m. (Toronto time) on the day that is 24 months following the Closing Date, subject to adjustment in certain events.

## Certificate

On behalf of the [issuer], I certify that the statements made in this report are true.

Date: June 6, 2016

ENGAGEMENT LABS INC.

Name of [issuer] (please print)

ROBERT SPIEGEL, CORPORATE SECRETARY – 416-366-5494

Print name, title and telephone number of person signing

(Signed) "Robert Spiegel"

Signature

## Instruction

*The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.*

**Item 10: Contact information**

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**

**Notice - Collection and use of personal information**

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, British Columbia V7Y 1L2  
Telephone: (604) 899-6500  
Toll free across Canada: 1-800-373-6393  
Facsimile: (604) 899-6581

## ***Guidance for completing and filing Form 45-106F6***

1. ***Required form in British Columbia*** - In British Columbia, file this report and the applicable fee using BCSC e-services in accordance with British Columbia Instrument 13-502 Electronic filing of reports of exempt distribution. If the distribution occurs in British Columbia and one or more other jurisdictions, the issuer is required to file this report in British Columbia and file Form 45-106F1 in the other applicable jurisdictions.
2. ***What is a distribution?*** - In British Columbia, “distribution” includes distributions made from British Columbia to purchasers resident in other Canadian or foreign jurisdictions if the issuer has a significant connection to British Columbia. If the issuer has a significant connection to British Columbia, complete the tables in item 8 and Schedules I and II for all purchasers.

*In British Columbia, “distribution” also includes distributions made from another Canadian or foreign jurisdiction to purchasers resident in British Columbia. If the issuer is from another Canadian or foreign jurisdiction, complete the tables in item 8 and Schedules I and II only for purchasers resident in British Columbia.*

3. ***What is a purchaser?*** - References to a purchaser in this report are to the beneficial owner of the securities.
4. ***What is an individual?*** - An individual is a natural person. A corporation, partnership, party, trust, fund, association, and any other organized group of persons is not an individual.
5. ***Space in tables*** - If the space provided in any table in this Form is insufficient, please adjust the table to include additional space.
6. ***Multiple distributions*** - One report may be used for multiple distributions occurring within 10 days of each other if the report is filed on or before the 10th day following the first of such distributions.
7. ***Fees*** - In order to determine the applicable fee, consult Fee Checklist British Columbia Form 11-901F (item # 16).