



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See Attachment.

18 Can any resulting loss be recognized? ▶ See Attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ "Alexander Davis" Date ▶ August 29, 2023

Print your name ▶ Alexander J. Davis Title ▶ Corporate Secretary

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Kendall R. Fisher		08/29/2023		P01980923
	Firm's name ▶ Dorsey & Whitney LLP	Firm's address ▶ Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, WA 98104		Firm's EIN ▶	41-0223337
				Phone no.	(206) 903-8793

WonderFi Technologies Inc.

Attachment to Form 8937-Part II

Report of Organizational Actions Affecting Basis of Securities (The Arrangement)

**Consult your tax advisor:** The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “**Code**”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Arrangement (as defined below) on the tax basis of shares in WonderFi Technologies Inc., a corporation formed under the laws of the Province of British Columbia, Canada (“**WonderFi**”), in the hands of holders of shares of WonderFi stock who are U.S. taxpayers and who received such shares of WonderFi stock pursuant to the Arrangement by reason of previously being holders of shares of stock of CoinSmart Financial Inc., a corporation formed under the laws of the Province of British Columbia, Canada (“**CoinSmart**”) (“**U.S. Shareholders**”). This discussion does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Neither WonderFi nor CoinSmart provides tax advice to its shareholders. You are urged to consult your own tax advisors regarding the particular consequences of the Arrangement to you, including the applicability and effect of all U.S. federal, state and local tax laws and non-U.S. tax laws.

This Form 8937 and the analysis contained herein also does not address the U.S. federal, state, local or non-U.S. tax consequences of the Arrangement applicable to holders of options, warrants, or other convertible securities of CoinSmart. Holders of such options, warrants or other convertible securities should consult their own tax advisors regarding the tax consequences of the Arrangement to them in light of their own personal circumstances.

For additional information, please read the Joint Management Information Circular of WonderFi, CoinSmart and Coinsquare Ltd., a corporation formed under the federal laws of Canada (“**Coinsquare**”), dated as of May 12, 2023 (the “**Circular**”), which is available at [www.sedar.com](http://www.sedar.com).

**Part II Item 14. (Description of organizational action)**

On July 7, 2023, pursuant to a business combination agreement by and among WonderFi, CoinSmart and Coinsquare (the “**Agreement**”), WonderFi acquired all of the issued and outstanding shares of CoinSmart (the “**CoinSmart Shares**”), after which CoinSmart became a wholly-owned subsidiary of WonderFi (the “**Arrangement**”). Pursuant to the Arrangement, each shareholder of CoinSmart received 1.801462 common shares of WonderFi (the “**WonderFi Shares**”) in exchange for each CoinSmart Share exchanged therefor pursuant to the Arrangement. No fractional WonderFi Shares were issued pursuant to the Arrangement, with any fractional shares rounded down to the nearest whole number. In addition, such former shareholders of CoinSmart may become entitled to additional consideration pursuant to the

Arrangement, which may be paid in cash or a combination of cash and WonderFi Shares, as a result of certain earn-out provisions as set forth in the Agreement.

U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the tax consequences of the Arrangement to them in light of their particular circumstances.

Part II Item 15. (Description of the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer)

WonderFi believes that the Arrangement should be treated as a taxable transaction for U.S. federal income tax purposes. As a result, each U.S. Shareholder should have a tax basis in the WonderFi Shares received pursuant to the Arrangement equal to the fair market value of such WonderFi Shares on July 7, 2023.

If CoinSmart was a passive foreign investment Company (“**PFIC**”), as defined under Code Section 1297, for any tax year during which a U.S. Shareholder held its CoinSmart Shares, certain special PFIC rules may apply to the Arrangement. U.S. Shareholders should review the Circular and consult with their own tax advisors regarding the potential application of the PFIC rules.

Part II Item 16. (Description of the calculation of the change in basis)

For purposes of calculating fair market value, the fair market value of a WonderFi Share on July 7, 2023 is estimated at U.S.\$0.13, which was the closing price for a WonderFi Share on the Toronto Stock Exchange on July 7, 2023 (as converted to U.S. dollars using the daily exchange rate published by the Bank of Canada on July 7, 2023).

Each U.S. Shareholder should consult with his, her or its own tax advisors to determine whether they are required to recognize gain in connection with the Arrangement and what measure of fair market value is appropriate.

Part II Item 17. (List of applicable Code sections)

The U.S. federal income tax consequences for U.S. Shareholders should be determined under Code Sections 453, 1001, 1012, 1211 and 1221.

In addition, if CoinSmart was a PFIC at any time during the period that a U.S. Shareholder held CoinSmart Shares, then Code Sections 1291-1297 would be applicable.

Part II Item 18. (Recognition of loss)

A U.S. Shareholder may recognize loss pursuant to the Arrangement to the extent such U.S. Shareholder’s tax basis in the CoinSmart Shares surrendered exceeds the fair market value of the aggregate consideration received in exchange therefor.

Part II Item 19. (Other information)

The Arrangement was effective on July 7, 2023. In general, any gain recognized should be reported by a U.S. Shareholder in the appropriate tax year under applicable accounting rules. Each U.S. Shareholder should consult with its own U.S. tax advisors regarding the tax reporting rules applicable to it in light of its own personal circumstances.