

September 25, 2017

## LETTER OF INTENT OF MERGER & PROPOSAL TO ACQUIRE CHONGQING YUHUAN TECHNOLOGY CO., LTD. BY MERGER

This letter (this "**LETTER**") is intended to summarize the principal terms of a proposal being considered by SANTO MINING CORP. dba PodWerks, Inc. ("**BUYER**"), a Florida corporation ("Buyer") regarding its possible acquisition of CHONGQING YUHUAN TECHNOLOGY CO., LTD. dba Canoepool, a corporation under the law of the Peoples Republic of China, ("**CANOEPPOOL**") by merger. The structure is expected to be a merger of the **BUYER's** Public Company ("**PUBCO**") with and into the **CANOEPPOOL**, with the Public Company surviving the merger. The possible merger is referred to as the "**TRANSACTION**" and "**BUYER**", "**COMPANY**", "**PUBCO**" and or the "**NEWCO**" are referred to collectively as the "**PARTIES**".

### 1. **MERGER AND MERGER CONSIDERATION.**

(a) Subject to the satisfaction of the conditions described in this Letter, at the closing of the Transaction (i) **PUBCO** will merge with and into the **CANOEPPOOL**, and (ii) the separate corporate existence of **CANOEPPOOL** will cease and the **PUBCO** will continue its corporate existence under corporate laws of the State of Florida as the surviving corporation in the merger.

(b) The merger consideration would be FIVE HUNDRED THOUSAND DOLLARS \$500,000USD (the "Merger Consideration") in preferred class "A" stock, subject to adjustment, and payable as follows:

(i) [AMOUNT] payable at the closing of the Transaction; and

(ii) [AMOUNT] to be deposited with a mutually agreeable escrow agent, to be held for a period of [TIME] after the closing, in order to secure the post-closing obligations of the Company's stockholders under the definitive merger agreement.

(c) **BUYER** has calculated the Merger Consideration on the basis of information [contained in the information memorandum dated [DATE]/currently known to **BUYER**] and on the basis of the following assumptions:

(i) Working capital at the closing of the Transaction is \$[AMOUNT], calculated in accordance with US GAAP, consistently applied. The Merger Consideration payable at closing would be increased or

decreased based on changes in the Company's working capital, on a dollar-for-dollar basis.

(ii) [SET OUT ANY OTHER ASSUMPTIONS].

## **2. PROPOSED DEFINITIVE AGREEMENT.**

As soon as reasonably practicable after the execution of this Letter, the Parties shall commence to negotiate a definitive merger agreement (the "**DEFINITIVE AGREEMENT**") relating to the merger of **PUBCO** with and into the **CANOEPPOOL**, to be drafted by **BUYER's** counsel. The Definitive Agreement would include the terms summarized in this Letter and such other representations, warranties, conditions, covenants, indemnities and other terms that are customary for transactions of this kind and are not inconsistent with this Letter.

## **3. CONDITIONS.**

Buyer's obligation to close the proposed Transaction will be subject to customary conditions, including:

- (a) Buyer's satisfactory completion of due diligence.
- (b) The Board of Directors and stockholders of the Company, and the Board of Directors [and stockholders] of Buyer, approving the Transaction.
- (c) The Parties' execution of the Definitive Agreement and any ancillary agreements.
- (d) The receipt of any regulatory approvals and third party consents, on terms satisfactory to Buyer, including in particular SPECIFY MATERIAL CONSENTS.
- (e) NAMES OF KEY EMPLOYEES, entering into employment agreements with the Company on terms agreed with Buyer.
- (f) NAMES OF KEY STOCKHOLDERS ABOVE 10%, entering into [non-compete and non-solicitation] agreements with the Company on terms agreed with Buyer.

#### 4. **DUE DILIGENCE.**

From and after the date of this Letter, the Company will authorize its management to allow Buyer and its advisors full access to the **CANOEPPOOL's** facilities, records, key employees [customers, suppliers] and advisors for the purpose of completing Buyer's due diligence review. The due diligence investigation will include, but is not limited to, a complete review of the Company's financial, legal, tax, environmental, intellectual property and labor records and agreements, and any other matters as Buyer's accountants, tax and legal counsel, and other advisors deem relevant.

#### 5. **EMPLOYMENT ARRANGEMENTS.**

Buyer would offer employment to substantially all of the Company's employees and would expect the Company's management to use its reasonable best effort to assist Buyer to employ those individuals.

#### 6. **COVENANTS OF THE COMPANY.**

During the period from the signing of this Letter through the execution of the Definitive Agreement, the CANOEPOOL will: (i) conduct its business in the ordinary course in a manner consistent with past practice, (ii) maintain its properties and other assets in good working condition (normal wear and tear excepted), and (iii) use its best efforts to maintain its business and employees, customers, assets and operations as an ongoing concern in accordance with past practice.]

#### 7. **EXCLUSIVITY.**

(a) In consideration of the expenses that Buyer has incurred and will incur in connection with the proposed Transaction, the Company agrees that until such time as this Letter has terminated in accordance with the provisions of paragraph 8 (such period, the "**Exclusivity Period**"), neither the Company nor any of its representatives, officers, employees, directors, agents, stockholders, subsidiaries or affiliates (collectively, the "**Company Group**") shall initiate, solicit, entertain, negotiate, accept or discuss, directly or indirectly, any proposal or offer from any person or group of persons other than Buyer and its affiliates (an "**Acquisition Proposal**") to acquire all or any significant part of the business and properties, capital stock or capital stock equivalents of the Company, whether by merger, purchase of stock, purchase of assets, tender offer or otherwise, or provide any non-public information to any third party in connection with an Acquisition Proposal or enter into any agreement, arrangement or understanding requiring it to abandon, terminate or fail to consummate the Transaction with Buyer. The Company agrees to immediately notify Buyer if any member of the

Company Group receives any indications of interest, requests for information or offers in respect of an Acquisition Proposal, and will communicate to Buyer in reasonable detail the terms of any such indication, request or offer, and will provide Buyer with copies of all written communications relating to any such indication, request or offer. Immediately upon execution of this Letter, the Company shall, and shall cause the Company Group to, terminate any and all existing discussions or negotiations with any person or group of persons other than Buyer and its affiliates regarding an Acquisition Proposal. The Company represents that no member of the Company Group is party to or bound by any agreement with respect to an Acquisition Proposal other than under this Letter.

(b) If within the Exclusivity Period, the Company does not execute definitive documentation for the Transaction reflecting the material terms and conditions for the Transaction set forth in this Letter or material terms and conditions substantially similar thereto (other than as a result of either the mutual agreement by Buyer and the Company to terminate this Letter or to change such material terms and conditions in any material respects or the unilateral refusal of Buyer to execute such definitive documentation), then the Company shall pay to Buyer an amount equal to the reasonable out-of-pocket expenses (including the reasonable fees and expenses of legal counsel, accountants and other advisors and whether incurred prior to or after the date hereof) incurred by Buyer in connection with the proposed Transaction, which amount shall be payable in same day funds on the day that is the first business day after the Exclusivity Period.

## **8. TERMINATION.**

This letter will automatically terminate and be of no further force and effect upon the earlier of (i) execution of the Definitive Agreement by **BUYER, PUBCO** and **CANOEPPOOL**, (ii) mutual agreement of **BUYER** and **CANOEPPOOL**, and (iii) 23:59 on November 1<sup>st</sup>, 2017. Notwithstanding anything in the previous sentence, paragraphs [7(b),] 10, 11 and 13 shall survive the termination of this Letter and the termination of this Letter shall not affect any rights any Party has with respect to the breach of this Letter by another Party prior to such termination.

## **9. BID EXPIRATION.**

This offer will remain in effect until 23:59 EST, on September 26<sup>th</sup>, 2017, unless accepted or rejected by the Company, or withdrawn by Buyer prior to that time.

**10. GOVERNING LAW.**

THIS LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH INTERNAL LAWS OF THE STATE OF FLORIDA, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF FLORIDA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF FLORIDA.

**11. CONFIDENTIALITY.**

This Letter is confidential to the Parties and their representatives and is subject to the confidentiality agreement entered into between Buyer and the Company on September 21, 2017 which continues in full force and effect.

**12. NO THIRD PARTY BENEFICIARIES.**

Except as specifically set forth or referred to herein, nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this Letter.

**13. EXPENSES.**

[Except as set forth in Section 7(b),]The Parties will each pay their own transaction expenses, including the fees and expenses of investment bankers and other advisors, incurred in connection with the proposed Transaction.

**14. NO BINDING AGREEMENT.**

This Letter reflects the intention of the Parties, but for the avoidance of doubt neither this Letter nor its acceptance shall give rise to any legally binding or enforceable obligation on any Party, except with regard to paragraphs 7 through 13 hereof. No contract or agreement providing for any transaction involving the Company shall be deemed to exist between Buyer and any of its affiliates and the Company unless and until a final definitive agreement has been executed and delivered.

**15. MISCELLANEOUS.**

This Letter may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the

various sections of this Letter have been inserted for reference only and shall not be deemed to be a part of this Letter.

**[SIGNATURE FOLLOWS]**

If you are in agreement with the terms set forth above and desire to proceed with the proposed Transaction on that basis, please sign this Letter in the space provided below and return an executed copy to the attention of

Very truly yours,  
SANTO MINING CORP.

By:   
FRANJOSE YGLESIAS  
CEO/CHAIRMAN  
SEP-25-2017

Agreed to and accepted:  
CHONGQING YUHUAN  
TECHNOLOGY CO., LTD.

By:   
LIANG  
AUTHORIZED LEGAL  
REPRESENTATIVE/CHAIRMAN  
SEP-25-2017