ThreeD Capital

Management’s Discussion and Analysis

For the year ended: **June 30, 2021**

Date of report: **October 27, 2021**

This management’s discussion and analysis of the financial condition and results of operation (“MD&A”) of ThreeD Capital Inc. (“ThreeD” or the “Company”) should be read in conjunction with ThreeD’s annual audited consolidated financial statements and notes thereto as at and for the years ended June 30, 2021 and 2020.

Unless indicated otherwise, all financial data in this MD&A has been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). All dollar amounts in this MD&A are reported in Canadian dollars unless otherwise indicated.

Caution Regarding Forward-Looking Information

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “budget”, “plan”, “continue”, “estimate”, “expect”, “forecast”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to the Company’s anticipated investment activities and results and financing activities, the Company’s future working capital requirements, the Company’s expectation of holding some digital assets but focusing primarily on opportunistic investing in junior resource and disruptive technologies companies, potential enhanced visibility and accessibility of ThreeD to U.S. investors as a result of its listing on the OTCQX Best Market (“OTCQX”), the impact of changes in accounting policies and other factors on the Company’s operating results, and the performance of global capital markets and interest rates, the exposure of its financial instruments to various risks and its ability to manage those risks, and the Company’s ability to use tax resource pools and loss carry-forwards.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to the Company’s ability to realize sufficient proceeds from the disposition of the investments (which will be based upon market conditions beyond the Company’s control) or otherwise raise capital in order to fund obligations as they become due, the Company’s ability to generate taxable income from operations, fluctuations in the value of the Company’s portfolio investments due to market conditions and/or company-specific factors, including, without limitation, risks related to the fact that the term Net Asset Value ("NAV") does not have any standardized meaning according to Generally accepted accounting principles ("GAAP") and therefore may not be comparable to similar measures presented by other companies and may not be indicative of NAV for any future periods, fluctuations in prices of commodities underlying the Company's interests and equity investments, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, the impact of pandemics including COVID-19 on capital markets and otherwise, risks associated with digital assets including significant price volatility, the loss of the digital assets and fraud and high transaction fees, global supply and demand, interest rates, exchange rates, inflation or deflation, political and economic conditions in the countries in which the interests of the Company's portfolio investments are located, availability of capital on terms acceptable to the Company or at all, and other risks included elsewhere in this MD&A under the headings "Management of Financial Risks" and "Principal Business Risks" and in other public disclosure documents filed with certain Canadian securities regulatory authorities and available under the Company's profile at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

Nature of the Business

ThreeD Capital Inc. is a publicly-traded Canadian-based venture capital firm focused on opportunistic investments in companies in the junior resources and disruptive technologies sectors. ThreeD's investment strategy is to invest in multiple private and public companies across a variety of sectors globally. ThreeD seeks to invest in early stage, promising companies where it may be the lead investor and can additionally provide investees with advisory services and access to the Company's ecosystem. The Company was continued under the *Canada Business Corporations Act* on December 1, 2011 and its common shares are publicly-traded on the Canadian Securities Exchange (the "CSE") under the symbol "IDK" and on the OTCQX under the stock symbol "IDKFF". The Company is domiciled in the Province of Ontario and its head office is located at 130 Spadina Ave., Suite 401, Toronto, Ontario, M5V 2L4, Canada.

Although the Company continues to invest and hold an immaterial amount of digital assets, in recent years, the Company's digital assets investing activities have been minor and insignificant. The Company expects to hold some digital assets but its main focus will be in opportunistic investing in junior resource and disruptive technologies companies.

Summary and Highlights

- For the year ended June 30, 2021, the Company had net income of $34,655,015 (basic earnings per share of $0.92) as compared to a net loss of $10,525,778 (basic loss per share of $0.43) for the year ended June 30, 2020.

- As at June 30, 2021, net asset value per share ("NAV per share") was $1.16 as compared to $0.41 as at June 30, 2020, a 183% increase (See "Use of Non-GAAP Financial Measures" elsewhere in this MD&A).

- As at June 30, 2021, the Company held investments at fair value and digital assets, at fair value less cost to sell totalling $55,127,507 as compared to $14,064,063 as at June 30, 2020, a 292% increase primarily attributable to net realized and unrealized gains on investments.
- During the year ended June 30, 2021, 13,267,940 warrants were exercised at average price of $0.25 per share for total gross proceeds of $3,323,843.

- During the year ended June 30, 2021, 885,248 options were exercised at average price of $0.70 per share for total gross proceeds of $618,447.

- On July 9, 2020, the Company announced its intention to effect a normal course issuer bid ("NCIB") through the facilities of the CSE. The NCIB commenced on July 15, 2020 and ended on July 14, 2021 and the Company may purchase on the CSE up to 1,594,444 common shares in total, representing approximately 5% of the common shares issued and outstanding on July 9, 2020. The price which the Company was permitted to pay for any such shares will be the market price at the time of acquisition. During the year ended June 30, 2021, the Company repurchased and cancelled 591,500 common shares at an average cost of $0.20 per share for total cost of $118,304 pursuant to the NCIB. As at June 30, 2021, 82,000 common shares repurchased under the NCIB for total cost of $60,359 were held in treasury for the purpose of cancellation.

- On November 25, 2020, the Company acquired 1,500,000 units of St-Georges Eco-Mining Corp. ("St-Georges") (CSE: "SX") at a price of $0.10 per unit for a total cost of $150,000. In consideration, the Company issued an aggregate of 300,000 common shares of the Company at a deemed price of $0.48 per common share and made a cash payment in the amount of $6,000. Each unit of St-Georges consists of one common share and one common share purchase warrant of St-Georges, with each warrant being exercisable to acquire one additional share at an exercise price of $0.185 for a period of two years following the date of issuance.

- On December 30, 2020, the Company invested US$450,000 in Wuhan General Group (China) Inc. (OTC PINK:"WUHN") ("Wuhan"), a bioceutical company focused on alternative plant-based cannabinoids and psilocybin medical research. The Company acquired 1,500,000 units at a price of US$0.30 per unit. Each unit consisted of one common share of Wuhan and one common share purchase warrant exercisable at US$0.30 per warrant. The warrants expire three years from the date of issuance.

- On January 5, 2021, through two transactions, the Company invested a total of $530,000 in Electric Metals (USA) Ltd. ("EML"), a multi-commodity US-based resource company focused on their 100% owned Corcoran Canyon Silver Project in Nevada and Emily Manganese Project in Minnesota. In the first transaction, the Company acquired 1,000,000 shares of EML at a price of $0.20 per share for total proceeds paid of $200,000. In the second transaction the Company acquired 1,000,000 subscription receipts of EML at a price of $0.33 per subscription receipt for total cost of $330,000. Each subscription receipt entitled the Company to receive one common share of EML and one-half of one common share purchase warrant, with each whole warrant exercisable at $0.60 per warrant. The warrants expire two years from the date of issuance. EML signed a definitive scheme implementation agreement (the "Agreement), effective December 31, 2020, with NBS Capital Inc. ("NBS"). Pursuant to the Agreement, NBS acquired all of the shares of EML via share exchange for an equivalent number of NBS shares, which resulted in EML becoming a wholly owned subsidiary of NBS. Upon closing of the Agreement, NBS changed its name to Nevada Silver Corporation ("Nevada Silver") (TSXV: "NSC"), reflecting the focus of EML on its principal Nevada silver asset. Additionally, the CEO of the Company agreed to become Chairman of the Board of Directors of Nevada Silver, which took effect during the year ended June 30, 2021 when the Agreement closed.

- On January 7, 2021, the Company acquired 600,000 units of ZeU Technologies Inc. (CSE: "ZEU") at a price of $0.25 per unit. In consideration, the Company issued an aggregate of 185,185 common shares of the Company at a deemed price of $0.81 per common share for total value of $150,000. Each unit of ZeU consists of one common share of ZeU and one common share purchase warrant of ZeU, with each warrant being exercisable to acquire one additional common share of ZeU at an exercise price of $0.35 for a period of two years following the date of issuance.

- On February 2, 2021, an aggregate amount of 48,010 common shares of the Company were issued at a deemed price of $0.729 per share to satisfy certain marketing services provided to the Company by North Equities Corp. ("North") which were valued at $35,000. The shares were issued pursuant to an agreement between the Company and North which provides for two stages of marketing services, in consideration of (i) a payment of $35,000 in respect of the first phase (which has been fully satisfied by issuance of the 48,010 common shares); and (ii) a payment of $15,000 in respect of the second phase. All payments due under this agreement shall be satisfied by the issuance of common shares of the Company at a deemed price per share equal to the seven (7) day average trading price of such common shares as at the close of business on the invoice date, excluding non-trading holidays, in each case subject to the approval of the CSE.

- On February 4, 2021, the Company invested $450,000 in Nirvana Life Sciences Inc. ("Nirvana"), a life sciences company focused on developing medical products and regimens that address addiction. The Company acquired 3,000,000 shares at a price of $0.15 per share. As well, the CEO of the Company agreed to become an advisor to Nirvana.

- On February 12, 2021, the Company invested in Carl Data Solutions Inc. ("Carl") (CSE: "CRL"), an Industrial IoT (IIoT) and Big Data as a Service (BDaaS) company that provides next generation collection, storage, and analytics solutions for data-centric organizations. The Company acquired 2,000,000 units at a price of $0.15 per unit for aggregate proceeds of $300,000. Each unit consists of one common share of Carl and one common share purchase warrant, exercisable at a price of $0.25 per warrant. The warrants expire two years from the date of issuance.

- On February 18, 2021, the Company extended the term of certain existing share purchase warrants of the Company as follows:

Date of Issuance	Number of Warrants	Original Expiry Date	New Expiry Date
April 13, 2018	1,066,661	April 13, 2021	April 13, 2022
August 23, 2018	1,101,662	August 23, 2021	August 23, 2022
October 30, 2018	904,164	October 30, 2021	October 30, 2022

- On February 18, 2021, the Company invested in Intellabridge Technology Corporation ("Intellabridge") (CSE: "INTL") a blockchain technology company focused on developing decentralized finance technology solutions. The Company acquired 2,500,000 units at a price of $0.15 per unit for aggregate proceeds of $375,000. Each unit consists of one common share of Intellabridge and one common share purchase warrant, exercisable at a price of $0.45 per warrant. The warrants will expire two years from the date of issuance.

- On March 10, 2021, the Company invested in ePlay Digital Inc. ("ePlay") (CSE: "EPY"), a company focused on developing augmented reality games for sports, esports, and entertainment. The Company acquired 3,000,000 units at a price of $0.10 per unit for aggregate proceeds of $300,000. Each unit consisted of one common share of ePlay and one common share purchase warrant, exercisable at a price of $0.20 per warrant. The warrants expire one year from the date of issuance. The CEO of the Company has also agreed to become an advisor to ePlay.

- On March 10, 2021, the Company invested in AMPD Ventures Inc. ("AMPD") (CSE: "AMPD"), a company that provides high-performance cloud and computing solutions for low-latency applications, including video games and eSports, digital animation and visual effects, and big data collection, analysis, and visualization. The Company acquired 3,500,000 units at a price of $0.15 per unit for aggregate proceeds of $525,000. Each unit consists of one common share of AMPD and one common share purchase warrant, exercisable at a price of $0.25 per warrant. The warrants expire three years from the date of issuance. The CEO of Company has also agreed to become an advisor to AMPD.

- On March 19, 2021, the Company acquired 10,000,000 common shares of Birchtree Investments Ltd, a privately held corporation existing under the laws of the Province of British Columbia, at a price of $0.05 per share. In consideration, the Company issued an aggregate 434,782 common shares of the Company at a deemed price of $1.15 per common share for a total value of $500,000.

- On March 18, 2021, the Company invested in Windfall Geotek Inc. ("Windfall") (TSXV: WIN), a mining technology company and a leader in the use of Artificial Intelligence (AI) and advanced knowledge-extraction techniques since 2005 in the mining sector. The Company acquired 1,000,000 units at a price of $0.35 per unit for aggregate proceeds of $350,000. Each unit consisted of one common share of Windfall and one common share purchase warrant, exercisable at a price of $0.50 per warrant. The warrants expire two years from the date of issuance.

- Subsequent to June 30, 2021, the Company invested in DeFi Yield Technologies Inc. ("DeFi Yield Technologies"), a company that has a proprietary automated yield engine that has made investing in decentralized finance ("DeFi") simple and leverages different DeFi protocols and strategies to increase diversification, maximize yield, while minimizing exposure to risk. The Company acquired 563,380 shares of DeFi Yield Technologies at a price of $0.71 per share for total proceeds of approximately $400,000.

- Subsequent to June 30, 2021, XREX Inc. ("XREX"), a private Taiwan-based blockchain TradeTech company closed its Pre-A financing round. ThreeD participated in this financing by advancing US$400,000, prior to June 30, 2021, in order to receive 282,386 Series Pre-A Preferred Shares of XREX upon closing of the financing.

- Subsequent to June 30, 2021, the Company invested in Premium Nickel Resources Corporation ("PNR"), a private Canadian company that provides direct exposure to nickel-copper-cobalt opportunities in the southern African region. The Company acquired a total of 288,551 common share of PNR at a price of $0.95 per share for total consideration of $274,123 in order to maintain its 9% ownership in PNR.

Investments

The fair value and cost of investments are as follows as at June 30, 2021:

Investee	Note (a)	Description of holdings	Cost	Fair Value	% of Fair Value
Premium Nickel Resources Corporation (private)	(ii)	6,716,456 common shares	**280,190**	**2,686,582**	**4.9**
Bluesky Digital Assets Corp. (CSE: BTC)	(i, ii)	3,734,000 common shares 2,500,000 warrants exercisable at $0.15/share, expire Dec 4, 2023 200,000 warrants exercisable at $1.00/share, expire January 15, 2024	**1,113,235**	**2,624,590**	**4.8**
Auxico Resources Canada Inc. (CSE: AUAG)	(i, ii)	1,709,000 common shares $100,000 10% covertible debenture due June 19, 2023, convertible into convertible into 1,000,000 shares and 1,000,000 warrants, exercisable at $0.15/share for 3 years from issuance	**711,292**	**2,352,850**	**4.3**
ImagineAR Inc. (CSE: IP)	(ii)	900,000 warrants exercisable at $0.25/share, expire Aug 9, 2021 4,750,000 warrants exercisable at $0.25/share, expire Nov 5, 2021	-	**143,400**	**0.3**
One Bullion Limited (private)	(ii)	5,500,000 common shares 750,000 warrants exercisable at $ 0.25/share, expire Oct 16, 2022	**203,000**	**541,638**	**1.0**
AMPD Ventures Inc. (CSE: AMPD)	(i)	4,000,000 common shares 500,000 warrants exercisable at $0.40/share, expire April 29, 2023 3,500,000 warrants exercisable at $0.25/share, expire March 9, 2024	**650,000**	**1,684,541**	**3.1**
ePLAY Digital Inc. (CSE: EPY)	(i)	7,600,000 common shares 3,000,000 warrants exercisable at $0.20/share, expire March 10, 2022	**1,120,182**	**1,413,409**	**2.6**
Nevada Silver Corp. (TSXV: NSC)	(ii)	2,752,500 common shares 500,000 warrants exercisable at $0.60/share, expire April 28, 2023	**791,616**	**686,277**	**1.3**
Kattegat Mining Inc. (private)	(ii)	1,250,000 common shares	**150,000**	**250,000**	**0.5**
SciCann Therapeutics Inc. (private)	(ii)	16,000 common shares 1,554 options exercisable at $17.00/share, expire Dec 23, 2024	**100,000**	**86,770**	**0.2**
Other publicly traded investments			**19,315,890**	**29,051,368**	**52.9**
Other private investments			**7,000,623**	**13,389,447**	**24.4**
			$31,436,028	**$54,910,872**	**100.0**

The fair value and cost of investments are as follows as at June 30, 2020:

Investee	Note (a)	Description of holdings	Cost	Fair Value	% of Fair Value
Imagination Park Technologies Inc. (CSE: IP)	(ii)	1,626,000 common shares $200,000 convertible debenture, convertible into 4,000,000 shares and 4,000,000 warrants exercisable at $0.10 for 3 years from issuance 1,500,000 warrant sexercisable at $0.25/share, expire May 16, 2021 900,000 warrants exercisable at $0.25/share, expire Aug 24, 2021 4,750,000 warrants exercisable at $0.25/share, expire Oct 5, 2021	295,515	4,684,944	33.9
GoldSpot Discoveries Corp.	(ii)	2,720,941 common shares	213,583	395,489	2.9
One Bullion Limited (private)	(ii)	4,000,000 common shares	53,000	384,100	2.8
Premium Nickel Resources Corporation (private)	(ii)	4,086,748 common shares	77,735	254,337	1.8
SciCann Therapeutics Inc. (private)	(ii)	16,000 common shares 1,554 options exercisable at $17.00/share, expire Dec 23, 2024	100,000	86,269	0.6
Pluto Network Operations Canada Inc. (private)	(ii)	21,299 common shares	45,154	-	-
Other publicly traded investments			3,493,919	5,183,735	37.6
Other private investments			2,903,146	2,819,279	20.4
			$ 7,182,052	$ 13,808,153	100.0

(a) The Company includes the following investments in its investment disclosure:
- (i) Investments in which it is subject to insider or early warning (s101) reporting requirements; or
- (ii) Investments in which one or more of the Company's management and/or director(s) is a director of the investee; or
- (iii) Private investments in which the Company owns greater than 10% of the investee.

As at June 30, 2021, the fair value of investments exceeded original cost by $23,474,844 as compared to $6,626,101 as at June 30, 2020. The increase for the year ended June 30, 2021, was primarily due to the net change in unrealized gains on investments of $24,690,437.

The fair value of the Company's investments as reflected in its consolidated financial statements are calculated in accordance with IFRS and its accounting policies may differ from the actual proceeds of disposition that would be realized by the Company. For example, the amounts at which the Company's publicly-traded investments could be disposed of currently may differ from fair values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity.

As at June 30, 2021, total investments included securities of private companies (categorized in Level 3) with a fair value totalling $16,954,437 (30.9% of total fair value of the Company's investments; cost of $7,733,813). As at June 30, 2020, total investments included securities of private companies (Level 3) with a fair value totalling $5,983,529 (43.3% of total fair value of the Company's investments; cost of $3,479,035). The fair value was determined in accordance with the Company's accounting policy for private company investments. The amounts at which the Company's private company investments could be disposed of currently may differ significantly from their carrying values since there is no active market to dispose of these investments.

Pursuant to a share purchase agreement dated November 15, 2019, the Company sold an aggregate of 13,500,000 common shares (the "Subject Shares") of New Found Gold Corp. (TSXV: "NFG") to a third party purchaser at a price of $0.08 per share for aggregate proceeds of $ 1,080,000. The Company believes that the purchaser was in possession of information material to the transaction that was not disclosed at the time. As a private company with restrictions on the transfer of the Subject Shares, NFG had to approve the proposed transfer, which it did by a consent resolution of its board of directors.

Accordingly, the Company subsequently commenced the legal action on March 10, 2020, against Collin Kettell, Palisades Goldcorp Ltd. ("Palisades") and NFG (collectively, the "Defendants") claiming rescission of the transaction or, in the alternative, damages in the approximate amount of $16,000,000 or the present value of the Subject Shares. The Company has also made specific claims for (i) a declaration that Palisades and Collin Kettell, as shareholder or director and/or officer of NFG, have acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded its interests, (ii) a declaration that Palisades and Collin Kettell engaged in insider trading contrary to section 138 of the Securities Act (Ontario), (iii) unjust enrichment and (iv) interests and costs.

NFG filed a statement of defence in response to the ThreeD's statement of claim on June 12, 2020. Mr. Kettell and Palisades filed a statement of defence on June 18, 2020 and the action has now progressed through the production of documents and oral examinations for discovery stages. On July 12, 2021, the Company asked the Defendants to consent to amendments to the statement of claim to broaden its claims to include direct claims of oppressive conduct on the part of NFG, and to increase the damages sought against all of the parties in respect of the Subject Shares to approximately $176,600,000. The Defendants have consented to the amendments provided that they be allowed to serve amended statements of defence and that the parties undergo another round of discoveries related specifically to the amendments to the pleadings

It is not determinable whether the Company will be successful in its claim, or, if successful, the amount of damages that may be awarded, if any.

Digital Assets at Fair Value Less Cost to Sell ("FVLCTS")

Digital assets consist of the following:

a. electronic currency, coins, or alternative cryptocurrency coins (altcoins) – a type of currency only available in digital form;

b. digital tokens – a representation of a particular asset or utility which are created and distributed to the public through an Initial Coin Offering ("ICO"). ICO is a means of crowdfunding, through the release of a new token to fund project development similar to an initial public offering for stocks; and

c. Simple Agreement for Future Tokens ("SAFT") – an agreement with a promise to distribute tokens to investors in the future (a token presale and not an ICO).

Purchases and sales of digital assets are recognized on the day in which the Company and the counterparty consummates the transaction. The Company also accepts and receives digital currency as consideration for services and in private placement financings. The digital assets are recorded on the statement of financial position, as digital assets, at their fair value less cost to sell and re-measured at each reporting date.

Realized gains and losses on disposal of digital assets and unrealized gains and losses in the value of digital assets are reflected in the consolidated statement of net income and comprehensive income. Upon disposal of a digital currency, previously recognized unrealized gains or losses are reversed so as to recognize the full realized gain or loss in the period of disposition. Digital assets which are traded on an exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 25%. In determining the discount for such digital currency, the Company considers the nature and length of the restriction. SAFTs are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of a SAFT may (depending upon the circumstances) be adjusted using one or more valuation indicators.

All transaction costs associated with the acquisition and disposition of digital currency are expensed to the consolidated statement of net income and comprehensive income as incurred. The Company records the revaluation of gains and losses in profit and loss because this is considered to be the most fair and accurate presentation of the Company's operations to the users of the financial statements.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the purchase, sale or exchange of digital assets and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue transactions in digital assets. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings. The digital assets are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more valuation indicators.

The cost and FVLCTS of digital assets as at June 30, 2021, are as follows:

		Cost		**FVLCTS**
Digital coins	**$**	**87**	**$**	**1,204**
Digital tokens		**822,029**		**215,431**
SAFTs		**1,191,609**		**-**
	$	**2,013,725**	**$**	**216,635**

The cost and FVLCTS of digital assets as at June 30, 2020 are as follows:

		Cost		FVLCTS
Digital coins	**$**	91	$	141
Digital tokens		767,414		255,769
SAFTs		1,191,609		-
	$	1,959,114	$	255,910

The cost and FVLCTS of digital assets over $1,000 as at June 30, 2021, are as follows:

Digital currency	**Type**	**Quantity**	**Cost**	**Fair Value less cost to sell**	**% of FVLCTS**
Sense	Tokens	32,771,592	**$ 223,811**	**$ 215,431**	**99.4**
Other digital assets under $1,000			**1,789,914**	**1,204**	**0.6**
			$ 2,013,725	**$ 216,635**	**100.0**

The cost and FVLCTS of digital assets over $1,000 as at June 30, 2020 are as follows:

Digital currency	Type	Quantity	Cost	Fair Value less cost to sell	% of FVLCTS
Sense	Tokens	27,056,445	$ 169,197	$ 255,414	99.8
Other digital assets under $1,000			1,789,917	496	0.2
			$ 1,959,114	$ 255,910	100.0

There are inherent and higher risks to digital assets including the risk associated with traditional securities, which include significant price volatility, the loss of the digital assets, fraud and high transaction fees. Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. Digital assets have a limited history and the fair value historically has been very volatile. The Company may not be able to liquidate its inventory of digital currency at its desired price if required.

Contingent Liability

In April 2006, the Company entered into a farm-in agreement with Canoro Resources Ltd. ("Canoro"), whereby it acquired a 15% interest in block AA-ONN-2003/2, in Arunachal Pradesh, northwest India. During 2009, the parties completed the interpretation of the 3-D seismic program. The consortium partners in the block are: ThreeD – 15%, Canoro – 15%, National Thermal Power Corporation – 40%, and Geopetrol International Inc. – 30%.

On April 8, 2010, the Production Sharing Contract (the "PSC") with the Government of India, through the Directorate General of Hydrocarbons (the "DGH") expired and as a result, the DGH called the Company's letter of guarantee totaling US$1,395,000 issued by Royal Bank of Canada ("RBC"). The DGH's position is that the Company and its partners failed to meet certain terms of the PSC governing their commitments on exploration block AA-ONN-2003/2. The Company and its partners have disputed certain terms of the PSC, including its expiry on the basis of force majeure. As at June 30, 2010, the Company wrote-off all of its oil and gas properties and related expenditures in India.

In January 2015, the Company received notice from the DGH that it denied the request for non-levy of the cost of the unfinished PSC and demanded payment of the outstanding balance of US$14,054,284 (ThreeD's share – US$1,423,510). There has been no further correspondence from the DGH since January 2015. The Company considers the claim to be completely without merit and will defend itself vigorously. No provision has been made for the claim in the consolidated statement of financial position as at June 30, 2021.

Results of Operations

The Company's selected financial information for its three most recently completed financial years as at and for the years ending June 30 is provided below:

	2021	**2020**	2019
Net investment gains (losses), interest and other income	**$ 39,967,937**	$ (7,928,950)	$ (380,583)
Net income (loss) for the year	**34,655,015**	(10,525,778)	(3,804,431)
Earnings (loss) per common share based on net income (loss) for the year - basic	**0.92**	(0.43)	(0.32)
Earnings (loss) per common share based on net income (loss) for the year - diluted	**0.76**	(0.43)	(0.32)
Investments, at fair value	**$ 54,910,872**	$ 13,808,153	$ 20,673,821
Digital assets, at fair value less cost to sell	**216,635**	255,910	745,800
Total assets	**56,635,629**	14,944,430	22,113,561
Total liabilities	**2,769,708**	1,712,368	522,026
Equity	**53,865,921**	13,232,062	21,591,535

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows:

	Quarter ended			
	June 30, 2021	**March 31, 2021**	**December 31, 2020**	**September 30, 2020**
Net investment and digital asset gains (losses)	**$ (2,710,750)**	**$ 25,645,109**	**$ 16,395,497**	**$ 325,076**
Net income (loss) for the period	**(3,731,423)**	**23,234,560**	**15,633,631**	**(408,176)**
Total comprehensive income (loss) for the period	**(3,731,181)**	**23,235,584**	**15,634,445**	**(407,788)**
Earnings (loss) per share based on net income (loss) for the period – basic	**(0.08)**	**0.55**	**0.50**	**(0.01)**
Earnings (loss) per share based on net income (loss) for the period – diluted	**(0.08)**	**0.50**	**0.40**	**(0.01)**
	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Net investment and digital asset gains (losses)	$ 7,762,604	$ (2,544,402)	$ (4,829,035)	$ (8,616,653)
Net income (loss) for the period	7,235,197	(3,068,498)	(5,429,996)	(9,262,481)
Total comprehensive income (loss) for the period	7,235,947	(3,070,106)	(5,429,655)	(9,262,690)
Earnings (loss) per share based on net income (loss) for the period – basic	0.23	(0.12)	(0.24)	(0.48)
Earnings (loss) per share based on net income (loss) for the period – diluted	0.23	(0.12)	(0.24)	(0.48)

No dividends were declared by the Company during any of the periods indicated.

Three Months Ended June 30, 2021 and 2020

For the three months ended June 30, 2021, the Company generated net realized gains on disposal of investments of $4,240,033, as compared to a net realized gain of $98,541 for the three months ended June 30, 2020. The net realized gains are a result of the dispositions of the Company's investments to generate cash proceeds for use in general working capital and purchases of other investments and digital assets.

For the three months ended June 30, 2021, the Company recorded a net unrealized loss on investments of $6,994,379 as compared to a net unrealized gain of $7,489,445 for the three months ended June 30, 2020. The net change in unrealized losses on investments in the current period related to the net write-down to market on the Company's investments of $6,847,882 further supplemented by the reversal of previously recognized net unrealized gains on disposal of investments of $146,497. In the prior year period, the net change in unrealized gains on investments related to the net write-up to fair value of $8,291,020 on the Company's investments offset by the reversal of previously recognized net unrealized gains on disposal on investments of $801,575.

For the three months ended June 30, 2021, the Company recorded a realized loss on digital assets of $nil as compared to a net realized loss of $1,705 for the three months ended June 30, 2020. For the three months ended June 30, 2021, the net change in unrealized gains on digital assets was $43,596 as compared to a net change in unrealized losses on digital assets of $816. In previous years, the Company had disposed of most of its digital assets and currently only has one holding with a fair value of over $1,000.

For the three months ended June 30, 2021, the Company recorded consulting, administrative, and rental income of $80,698 as compared to $59,027 for the three months ended June 30, 2020. The difference is the result of increased consulting fees primarily attributed to an agreement wherein the Company will provide consulting and advisory services to an investee for a one-year term. Compensation for the services was provided in advance and is recognized in revenue over a period of time throughout the duration of the agreement. This increase in consulting fees is slightly offset by a decrease in rental income as a result of the Company assigning its lease for its old office premises to the current subtenant, resulting in a decrease of rental income of $8,000 per month going forward since December 1, 2020. For the three months ended June 30, 2021, the Company recorded other income of $6,199 as compared to $36,583 for the year ended June 30, 2020, primarily consisting of interest income earned on convertible debenture investments.

For the three months ended June 30, 2021, operating, general and administrative expenses increased by $556,651 to $1,161,162 from $604,511 for the three months ended June 30, 2020. The increase was primarily due to an increase in stock-based compensation expense, transaction costs, professional fees, and salaries and consulting fees.

The following is the breakdown of the Company's operating, general and administrative expenses for the indicated three-month periods ended June 30. Details of the changes follow the table:

	2021	2020
Salaries and consulting fees (a)	**$ 236,779**	$ 283,491
Stock-based compensation expense (b)	**420,356**	14,254
Transaction costs (c)	**115,232**	27,421
Other office and general	**99,200**	106,540
Professional fees (d)	**220,591**	166,892
Shareholder relations, transfer agent and filing fees (e)	**27,372**	10,356
Operating lease payments (f)	**10,317**	30,350
Other employment benefits	**13,607**	16,315
Bad debts and reversal of expected credit losses (g)	**-**	(53,110)
Travel and promotion	**-**	561
Foreign exchange loss	**17,708**	1,441
	$ 1,161,162	$ 604,511

(a) Salaries and consulting fees decreased by $46,712 for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020, primarily due to a reversal of the CEO's performance bonus accrual calculated as at March 31, 2021 compared to the calculation as at June 30, 2021, which lowered salaries and consulting fees for the three months ended June 30, 2021. Effective January 1, 2021, the Company adopted a new cash-based performance bonus calculation for the CEO which is calculated as 5% of the increase from the December 31, 2020 retained earnings, adjusted for the aggregate amount of the Company's tax expense (if any) and adjusted for any decrease to shareholders' equity of the Company arising from any declaration of dividends.

(b) Stock-based compensation expense increased by $406,102 for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date. Stock options granted typically vest at three-month intervals over 18 months and are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of these options is estimated at the date of grant using the Black-Scholes option pricing model and expensed over the vesting periods based on the graded method. Unvested forfeited stock options are not expensed during the period.

(c) Transactions costs increased by $87,811 for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020, due to an increase in the volume of trading conducted by the Company. Transaction costs arise from the purchase and disposition of investments through brokers, which are expensed immediately in accordance with the Company's accounting policy.

(d) Professional fees increased by $53,699 for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020 mainly due to an increase in legal fees associated with the claim against Collin Kettell, Palisades, and NFG. As previously mentioned, NFG filed a statement of defence in response to the ThreeD's statement of claim on June 12, 2020. Mr. Kettell and Palisades filed a statement of defence on June 18, 2020, and the action has now progressed through the production of documents and oral examinations for discovery stages

(e) Shareholder relations, transfer agent and filing fees increased by $17,016 for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020, primarily due to the costs associated with upgrading from the OTCQB Venture Market ("OTCQB") to the OTCQX. The OTCQX is the highest market tier of OTC Markets. The Company upgraded to enhance the visibility and accessibility of ThreeD to U.S. investors, which will allow more investors to participate in the growth of the Company.

(f) Operating lease payments decreased by $20,033 for the three months ended June 30, 2021, as compared to the three months ended June 30, 2020. Effective December 1, 2020, the Company had assigned its lease for its old office premises to the current subtenant. As a result the Company received its deposit back and the operating lease costs will be decreased going forward.

(g) During the three months ended June 30, 2020, the Company reversed expected credit losses of $53,110 which was recorded in a prior period (the receivable was received during the year ended June 30, 2021). During the three months ended June 30, 2021, the Company had no expected credit losses relating to receivables outstanding.

For the three months ended June 30, 2021, the Company had finance expenses of $19,985 as compared to $18,506 for the three months ended June 30, 2020. The finance expenses increase mainly relates to higher interest expense paid to brokers on margin borrowings, which was offset by a decrease in lease interest expense recorded as effective December 1, 2020, the Company had assigned its lease for its old office premises to the current subtenant, and thus no longer records payment and interest expense associated with that lease.

Net loss for the three months ended June 30, 2021 was $3,731,423 ($0.08 per share) as compared to net income of $7,235,197 ($0.23 per share) for the three months ended June 30, 2020.

For the three months ended June 30, 2021, the Company recorded a gain from the exchange differences on translation of foreign operations of $242 resulting in total comprehensive loss for the period of $3,731,181. For the three months ended June 30, 2020, the Company recorded a gain from the exchange differences on translation of foreign operations of $750 resulting in total comprehensive income for the period of $7,235,947. The Company expects the exchange differences on translation of foreign operations to be minimal since its foreign subsidiaries are no longer active.

Year Ended June 30, 2021 and 2020

For the year ended June 30, 2021, the Company generated net realized gains on disposal of investments of $22,052,810, as compared to net realized losses on disposal of investments of $1,887,709 for the year ended June 30, 2020. The net realized gains (losses) are a result of the dispositions of the Company's investments to generate cash proceeds for use in general working capital and purchases of other investments and digital assets.

For the year ended June 30, 2021, the Company recorded a net unrealized gain on investments of $17,696,058 as compared to a net unrealized loss of $6,328,026 for the year ended June 30, 2020. The net change in unrealized gains on investments in the current year related to the net write-up to market on the Company's investments of $22,670,404 offset by the reversal of previously recognized net unrealized gains on disposal of investments of $4,974,346. In the prior year, the net change in unrealized losses on investments related to the net write-up to market on the Company's investments of $4,867,047 and the reversal of previously recognized net unrealized gains on disposal of investments of $11,195,073.

For the year ended June 30, 2021, the Company recorded a realized loss on digital assets of $49 as compared to a loss of $112,934 for the year ended June 30, 2020. For the year ended June 30, 2021, the net change in unrealized losses on digital assets was $93,887, as compared to a net change in unrealized gains on digital assets of $101,183 for the year ended June 30, 2020. In previous years, the Company had disposed of most of its digital assets and currently only has one holding with a fair value of over $1,000.

For the year ended June 30, 2021, the Company recorded consulting, administrative, and rental income of $288,769 as compared to $261,938 for the year ended June 30, 2020. The difference is the result of increased consulting fees primarily attributed to an agreement wherein the Company will provide consulting and advisory services to an investee for a one-year term. Compensation for the services was provided in advance and is recognized in revenue over a period of time throughout the duration of the agreement. The increase in consulting fees is slightly offset by a decrease in rental income as a result of the Company assigning its lease for its old office premises to the current subtenant, resulting in decreased rental income of $8,000 per month going forward since December 1, 2020. For the year ended June 30, 2021, the Company recorded other income of $24,236 as compared to $36,598 for the year ended June 30, 2020, primarily consisting of interest income earned on convertible debenture investments.

For the year ended June 30, 2021, operating, general and administrative expenses increased by $2,700,422 to $5,192,421 from $2,491,999 for the year ended June 30, 2020. The increase was primarily due to an increase in stock-based compensation expense, salaries and consulting fees, and transaction costs.

The following is the breakdown of the Company's operating, general and administrative expenses for the year ended June 30. Details of the changes follow the table:

	2021	2020
Salaries and consulting fees (a)	**$ 2,330,908**	$ 1,098,716
Stock-based compensation expense (b)	**1,384,563**	222,470
Transaction costs (c)	**528,048**	147,655
Other office and general	**411,951**	449,207
Professional fees (d)	**285,154**	302,569
Shareholder relations, transfer agent and filing fees (e)	**99,751**	43,367
Operating lease payments (f)	**76,910**	119,438
Other employment benefits	**52,630**	53,061
Bad debts (g)	**-**	13,750
Travel and promotion	**1,016**	31,833
Foreign exchange loss	**21,490**	9,933
	$ 5,192,421	$ 2,491,999

(a) Salaries and consulting fees increased by $1,232,192 for the year ended June 30, 2021 as compared to the year ended June 30, 2020, primarily due to a $1,022,608 performance bonus accrual recorded for the CEO of the Company. Effective January 1, 2021, the Company adopted a new cash-based performance bonus calculation for the CEO which is calculated as 5% of the increase from the December 31, 2020, retained earnings, adjusted for the aggregate amount of the Company's tax expense (if any) and adjusted for any decrease to shareholders' equity of the Company arising from any declaration of dividends. Also, additional consultants were used during the year for marketing services, contributing to the increased consulting fees.

(b) Stock-based compensation expense increased by $1,162,093 for the year ended June 30, 2021 as compared to the year ended June 30, 2020. Stock-based compensation expense will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date. Stock options granted vest at six-month intervals over 18 months and are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of these options is estimated at the date of grant using the Black-Scholes option pricing model and expensed over the vesting periods based on the graded method. Unvested forfeited stock options are not expensed during the period.

(c) Transactions costs increased by $380,393 for the year ended June 30, 2021, as compared to the year ended June 30, 2020, due to a significant increase in the volume of trading conducted by the Company. Transaction costs arise from the purchase and disposition of investments through brokers, which are expensed immediately in accordance with the Company's accounting policy.

(d) Professional fees decreased by $17,415 for the year ended June 30, 2021, as compared to the year ended June 30, 2020. The decrease is mainly attributed to a reduction in accrued audit fees.

(e) Shareholder relations, transfer agent and filing fees increased by $56,384 for the year ended June 30, 2021 as compared to the year ended June 30, 2020, primarily due to the cost of having the Company's stock traded in the U.S. On August 17, 2020, the Company announced that its common shares were trading on the OTCQB under the stock symbol "IDKFF". Later on in the year, the Company upgraded from the OTCQB to the OTCQX. The OTCQX is the highest market tier of OTC Markets. The Company upgraded to enhance the visibility and accessibility of ThreeD to U.S. investors, which will allow more investors to participate in the growth of the Company.

(f) Operating lease payments decreased by $42,528 for the year ended June 30, 2021 as compared to the year ended June 30, 2020. Effective December 1, 2020, the Company had assigned its lease for its old office premises to the current subtenant. As a result the Company received its deposit back and the operating lease costs will be decreased going forward.

(g) During the year ended June 30, 2020, the Company recorded bad debts of $13,750 for receivables relating to rental income from an investee, which has been outstanding for over 12 months. During the year ended June 30, 2021, the Company had no expected credit losses relating to receivables outstanding.

For the year ended June 30, 2021, the Company had finance expenses of $120,501 as compared to $104,829 for the year ended June 30, 2020. The finance expenses increase mainly relates to higher interest expense paid to brokers on margin borrowings, which was offset by a decrease in lease interest expense recorded as effective December 1, 2020, the Company had assigned its lease for its old office premises to the current subtenant, and thus no longer records payment and interest expense associated with that lease.

Net income for the year ended June 30, 2021, was $34,655,015 ($0.92 per share) as compared to a net loss of $10,525,778 ($0.43 per share) for the year ended June 30, 2020.

For the year ended June 30, 2021, the Company recorded a gain from the exchange differences on translation of foreign operations of $1,654 resulting in total comprehensive income for the period of $34,656,669. For the year ended June 30, 2020, the Company recorded a loss from the exchange differences on translation of foreign operations of $726 resulting in total comprehensive income for the period of $10,526,504. The Company expects the exchange differences on translation of foreign operations to be minimal since its foreign subsidiaries are no longer active.

Cash Flows - Year ended June 30, 2021 and 2020

During the year ended June 30, 2021, the Company used cash of $4,139,243 in operating activities as compared to $1,487,317 during the year ended June 30, 2020. The Company classifies its investment activities (proceeds on disposal of investments and digital assets, purchases of investments and digital assets, and due from/to brokers) as operating activities which is the Company's primary business. During the current year, the Company has increased its focus on investments and reduced its investing in digital assets. During the year ended June 30, 2021, the Company had proceeds from disposition of investments of $56,023,558 as compared to $10,015,291 during the year ended June 30, 2020. During the year ended June 30, 2021, the Company purchased $56,392,144 of investments as compared to $11,115,358 of investments purchased during the year ended June 30, 2020. During the year ended June 30, 2021, the Company had proceeds from disposition of digital assets of $96,720 as compared to $1,605,667 during the year ended June 30, 2020. During the year ended June 30, 2021, the Company purchased $151,381 of digital assets as compared to $1,127,528 purchased during the year ended June 30, 2020.

During the year ended June 30, 2021, the Company generated net cash of $4,280,687 in financing activities as compared to $1,420,691 for the year ended June 30, 2020. During the year ended June 30, 2021, the Company received $4,537,173 from the CEO of the Company and repaid $3,884,808 of these advances during the year. In the prior year ended June 30, 2020, the Company repaid $60,000 in advances previously received from the CEO. The advances from officer were used for general working capital and investment activities. In the current year, the Company received $618,447 and $3,323,843 in proceeds for the exercise of stock options and warrants respectively, compared to $nil amounts received the previous year ended June 30, 2020. The Company also paid $135,305 in principal payments of its lease liabilities compared to $164,150 during the year ended June 30, 2020. Additionally, during the year ended June 30, 2021, the Company bought back and cancelled a total of 591,500 common shares and repurchased an additional 82,000 common, which were held in treasury for the purpose of being cancelled, under the Company's NCIB for a total payment of $178,662.

During the year ended June 30, 2021, the Company used $7,403 for the purchase of property, equipment and right-of-use-assets compared to $nil amount during the year ended June 30, 2020.

For the year ended June 30, 2021, the Company had a net increase in cash of $134,041 as compared to a net decrease in cash of $66,626 for the year ended June 30, 2020. For the year ended June 30, 2021, the Company also had a gain from the exchange rate changes on its foreign operations' cash balances of $1,654, leaving a cash balance of $205,425 as at June 30, 2021 as compared to an exchange loss of $726, leaving a cash balance of $69,730 as at June 30, 2020.

Segmented Information

Reportable segments are defined as components of an enterprise about which separate financial information is available, that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company's operations primarily relate to investing. The Company's management is responsible for the Company's entire investment portfolio and considers the business to have a single operating segment. Management's investment decisions are based on a single, integrated investment strategy and the performance is evaluated on an overall basis.

All of the Company's revenues are earned in Canada and all of the Company's property, equipment, and right-of-use assets are located in Canada and no segmented information has been disclosed as at and for the years ended June 30, 2021 and 2020.

Liquidity and Capital Resources

Consolidated statement of financial position highlights		**June 30, 2021**		June 30, 2020
Cash	**$**	**205,425**	$	69,730
Investments, at fair value		**54,910,872**		13,808,153
Digital assets, at fair value less cost to sell		**216,635**		255,910
Total assets		**56,635,629**		14,944,430
Due to brokers		**324,042**		850,698
Advances from officer		**652,365**		-
Total liabilities		**2,769,708**		1,712,368
Share capital, contributed surplus, warrants		**148,704,320**		142,727,130
Foreign currency translation reserve		**876,834**		875,180
Deficit		**(95,715,233)**		(130,370,248)

Total liabilities increased by $1,057,340 to $2,769,708 as at June 30, 2021 as compared to $1,712,368 as at June 30, 2020. The increase was primarily due to the increase in accounts payable and accrued liabilities by $941,078 to $1,406,226 as at June 30, 2021 and advances from officer of $652,365, used for working capital and purchases of investments. As at June 30, 2021, total liabilities also include $16,627 accrued for the winding down of the Company's inactive subsidiaries in Barbados compared to an accrued amount of $18,282 as at June 30, 2020.

The Company's cash and investments as at June 30, 2021, would be sufficient to meet the Company's current liabilities.

The Company continues to have no long-term debt. In order to meet its operating expenditure obligations as they become due, ThreeD will have to dispose of some of its investments/digital assets or rely on external sources of capital such as using margin from brokerage accounts or raising capital. The Company's ability to access the debt and equity markets when required will depend upon factors beyond its control, such as economic and political conditions that may affect the capital markets generally. The Company's inability to raise sufficient capital to fund its operations and growth may result in the disposition of its investments at non-opportunistic times and, accordingly, could have a material adverse effect on the Company's business, financial condition, and results of operations, and its ability to continue as a going concern.

In April 2015, the Company signed a lease for premises which started May 1, 2015 for annual payments of approximately $82,875 ($6,906 monthly, increased to $7,166 effective January 1, 2017) plus applicable taxes until April 30, 2018 and office equipment lease payments of $5,340 annually ($445 monthly) plus applicable taxes until April 30, 2019. During the year ended June 30, 2018, the Company extended the lease on its premises to April 30, 2021 for annual payments of approximately $86,125. Effective December 1, 2020, the Company has assigned the lease of its former premises to its subtenant.

In September 2018, the Company signed a lease for new premises which started on December 1, 2018 until November 30, 2023, for annual payments of approximately $190,974 (plus applicable taxes), increasing approximately 3.4% per year.

As at June 30, 2021, future minimum annual lease payments under operating leases for premises and equipment are approximately as follows:

2022	**$ 89,518**
2023	**214,224**
2024	**218,057**
Prepaid rent and operating costs deposits	**(5,447)**
Total lease commitments	**516,352**
Lease operating costs	**(165,230)**
Discount at effective interest rates of 10% - 15%	**(56,797)**
Lease liability, as at June 30, 2021	**$ 294,325**

As at June 30, 2021, the Company had commitments to purchase investments totaling $350,000 (June 30, 2020 - $122,250).

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) Compensation to key management personnel and directors during the years ended June 30 were as follows:

	2021	2020
Salaries and consulting fees	**$ 1,803,421**	$ 737,000
Other short-term benefits	**14,719**	21,097
Stock-based compensation expense	**1,058,514**	219,029
Total	**$ 2,876,654**	$ 977,126

Key management personnel include the Chairman/Chief Executive Officer ("CEO") and the Chief Financial Officer/Corporate Secretary ("CFO") of the Company. Included in salaries and consulting fees is a performance bonus accrual for the CEO of $1,022,608.

(b) During the year ended June 30, 2020, the Company completed eight non-brokered private placements. On July 2, 2019, two directors and a close family member of the CEO subscribed for 817,237 units for gross proceeds of $212,482. On August 20, 2019, close family members of the CEO subscribed for 1,275,000 units for gross proceeds of $255,000. On September 13, 2019, the CEO and a director subscribed for 1,300,000 units for gross proceeds of $260,000. On November 22, 2019, a close family member of the CEO subscribed for 1,250,000 units for gross proceeds of $165,000. On January 28, 2020, a director and close family members of the CEO subscribed for 3,891,666 units for gross proceeds of $467,000. On February 24, 2020, close family members of the CEO subscribed for 2,500,000 units for gross proceeds of $300,000. On May 8, 2020, the CEO subscribed for 1,000,000 units for gross proceeds of $100,000.

(c) On September 18, 2019, 62,500 stock options were granted to a director of the Company, exercisable at a price of $0.40 per share, expiring on September 18, 2024. On May 12, 2020, 450,000 stock options were granted to directors of the Company, exercisable at a price of $0.10 per share, expiring on May 12, 2025.

(d) On September 15, 2020, 1,400,000 stock options were granted to directors and officers of the Company, exercisable at a price of $0.30 per share, expiring on September 15, 2025. On January 15, 2021, 1,400,000 stock options were granted to directors and officers of the Company, exercisable at a price of $0.75 per share, expiring on January 15, 2026. On March 26, 2021, 400,000 stock options were granted to directors and officers of the Company, exercisable at a price of $1.25 per share, expiring on March 26, 2026.

(e) During the year ended June 30, 2021, directors and officers of the Company exercised 656,082 stock options(June 30, 2020 – nil stock options) at an average price of $0.69 per share and received 656,082 common shares (June 30, 2021 – nil common shares) of ThreeD Capital Inc.

(f) During the year ended June 30, 2021, directors, officers, and close family members of the CEO of the Company exercised 9,675,249 warrants (June 30, 2020 – nil warrants) at an average price of $0.22 per warrant and received 9,675,249 common shares (June 30, 2020 – nil common shares) of ThreeD.

(g) As at June 30, 2021, included in prepaids and receivables is $nil (June 30, 2020 - $94,167) in prepaid consulting fees to Park Place Limited, a private company controlled by the CEO. As at June 30, 2021, included in accounts payable and accrued liabilities is $47,420 due to Park Place Limited (June 30, 2020 - $11,023) relating to unpaid consulting fees and reimbursement of expenses.

(h) As at June 30, 2021, included in accounts payable and accrued liabilities is $nil (June 30, 2020 - $62,150) due to a company controlled by the previous CFO relating to unpaid consulting fees owing to him.

(i) As at June 30, 2021, the Company had advances from the CEO of the Company of $652,365 (June 30, 2020 - $nil) which were payable on demand, unsecured and interest free. These advances were used for general working capital.

Off-Balance Sheet Arrangements

As at June 30, 2021, the Company does not have any off-balance sheet arrangements that have, or are reasonable likely to have, a current or future effect on the results of operations or financial condition of ThreeD.

Management of Capital

There were no changes in the Company's approach to capital management during the year ended June 30, 2021. The Company considers its capital to include equity which amounts to $53,865,921 as at June 30, 2021 (June 30, 2020 - $13,232,062). The Company's objectives when managing capital are:

(a) to ensure that the Company maintains the level of capital necessary to meet the requirements of its broker;

(b) to allow the Company to respond to changes in economic and/or marketplace conditions by maintaining the Company's ability to purchase new investments and digital assets;

(c) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and

(d) to maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

(a) realizing proceeds from the disposition of its investments and digital assets; and

(b) raising capital through equity or debt financings.

The Company is not subject to any capital requirements imposed by any regulator other than to maintain its margin requirements by the brokers.

To date, the Company has not declared any cash dividends to its shareholders as part of its capital management program. The Company's current capital resources are sufficient to discharge its liabilities as at June 30, 2021.

Management of Financial Risk

The investment operations of ThreeD's business involve the purchase and sale of securities and digital assets, and, accordingly, a portion of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including market, credit, and liquidity risks. Although digital assets are not considered financial instruments, they inherently have the similar risks as traditional investments. A discussion of the Company's use of financial instruments and their associated risks is provided below.

(a) Market risk:

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in the market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments/digital assets and unfavorable market conditions could result in dispositions of investments/digital assets at less than favorable prices.

Additionally, the Company adjusts its investments/digital assets to fair value at the end of each reporting period. This process could result in significant write-downs of the Company's investments/digital currencies over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavorable effect on ThreeD's financial position.

As at June 30, 2021 the Company held a total of $8,060,198 (June 30, 2020 - $5,637,557) in U.S. denominated investments. Additionally, the majority of the Company's digital assets are denominated in U.S. dollars. The Company also held $69,713 (June 30, 2020 - $nil) in Australian-dollar denominated investments. Given the foreign denominated investments, market risk for the Company includes currency risk.

There were no changes in the way the Company manages market risk during the year ended June 30, 2021. The Company manages its market risk by having a portfolio that is not singularly exposed to any one issuer or class/sector of issuers.

The following table shows the estimated sensitivity of the Company's after-tax net loss for the year ended June 30, 2021 from a change in the closing trade price (or recent transaction price) of the Company's investments and digital assets with all other variables held constant as at June 30, 2021:

Percentage of change in closing trade price (recent transaction price)	**Change in after-tax net income from % change in closing trade price**	
2%	**$**	**956,462**
4%		**1,912,925**
6%		**2,869,387**
8%		**3,825,849**
10%		**4,782,311**

The following table shows the estimated sensitivity of the Company's after-tax net loss for the year ended June 30, 2020 from a change in the closing trade price of the Company's investments and digital assets with all other variables held constant as at June 30, 2020:

Percentage of change in closing trade price (recent transaction price)	**Change in after-tax net income from % change in closing trade price**	
2%	$	244,011
4%		488,023
6%		732,034
8%		976,046
10%		1,220,057

(b) Credit risk:

Credit risk is the risk of loss associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties owing it money or securities will not perform their underlying obligations. The Company may, from time to time invest in debt obligations.

As at June 30, 2021, the Company held two convertible debentures with a fair value of $1,396,253 (June 30, 2020 - $2,439,544). All funds in cash are held in financial institutions that have a credit rating above AA and the Company believes it is not exposed to any significant loss.

There were no changes to the way the Company manages credit risk during the year ended June 30, 2021. The Company is also exposed in the normal course of business to credit risk from the sale of its investments and advances to investee and joint arrangements.

The following is the Company's maximum exposure to credit risk as at June 30:

		2021		2020
Cash	**$**	**205,425**	$	69,730
Due from brokers		**21,679**		50,426
Convertible debentures		**1,396,253**		2,439,544
Receivables (i)		**29,873**		139,444
	$	**1,653,230**	$	2,699,144

(i) As at June 30, 2021 and 2020, the receivables were from investees for monthly administrative and office rental fees and although it has received monthly payments previously, the Company is exposed to credit risk relating to those receivables. As at June 30, 2021 the receivables balance included $14,918 (June 30, 2020 - $7,653) relating to Harmonized Sales Tax input sales tax refunds. The Company believes it is not exposed to credit risk since the amount is fully collectible from the Canadian government.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligation as they become due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its financing activities and proceeds from the disposition of its investments/digital assets, in addition to interest earned on its investments.

There were no changes to the way that the Company manages liquidity risk during the year ended June 30, 2021. The Company manages liquidity risk by reviewing the amount of margin available on a daily basis and managing its cash flow. The Company holds some investments/digital assets that can be converted into cash when required.

As at June 30, 2021, the Company was using net margin of $302,363 (June 30, 2020 - $800,272) and had advances from an officer of $652,365 (June 30, 2020 - $nil).

The following table shows the Company's liabilities and potential due dates to liquidity risk as at June 30, 2021:

	Payments due by period				
Liabilities and obligations	**Total**	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**	**After 5 years**
Accounts payable and accrued liabilities	**$ 1,406,226**	**$ 1,406,226**	**$ -**	**$ -**	**$ -**
Due to brokers	**324,042**	**324,042**	**-**	**-**	**-**
Office lease payments	**351,122**	**147,117**	**204,005**	**-**	**-**
Advance from officer	**652,365**	**652,365**	**-**	**-**	**-**
	$ 2,733,755	**$ 2,529,750**	**$204,005**	**$ -**	**$ -**

The following table shows the Company's liabilities and potential due dates related to liquidity risk as at June 30, 2020:

	Payments due by period				
Liabilities and obligations	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	$ 465,148	$ 465,148	$ -	$ -	$ -
Due to brokers	850,698	850,698	-	-	-
Office lease payments	741,548	239,900	431,325	70,323	-
	$ 2,057,394	$ 1,555,746	$ 431,325	$ 70,323	$ -

The following table shows the Company's source of liquidity by assets as at June 30, 2021:

	Liquidity by period				
Assets	**Total**	**Less than 1 year**	**1 - 3 years**	**After 4 years**	**Non-liquid assets**
Cash	**$ 205,425**	**$ 205,425**	**$ -**	**$ -**	**$ -**
Due to brokers	**21,679**	**21,679**	**-**	**-**	**-**
Prepaids and receivables	**101,829**	**29,873**	**-**	**-**	**71,956**
Advances made on investments	**857,199**	**857,199**	**-**	**-**	**-**
Investments, at fair value(i)	**54,910,872**	**37,956,435**	**16,954,437**	**-**	**-**
Digital assets, at FVLCTS(i)	**216,635**	**216,635**	**-**	**-**	**-**
Property, equipment and right-of-use assets	**321,990**	**-**	**-**	**-**	**321,990**
	$56,635,629	**$ 39,287,246**	**$16,954,437**	**$ -**	**$393,946**

(i) Private Company and SAFT investments are included in the 1-3 years category since they are not expected to be liquidated within 1 year.

The following table shows the Company's source of liquidity by assets as at June 30, 2020:

	Liquidity by period				
Assets	Total	Less than 1 year	1 - 3 years	After 4 years	Non-liquid assets
Cash	$ 69,730	$ 69,730	$ -	$ -	$ -
Due to brokers	50,426	50,426	-	-	-
Prepaids and receivables	279,239	139,444	-	-	139,795
Investments, at fair value(i)	13,808,153	7,824,624	5,983,529	-	-
Digital assets, at FVLCTS(i)	255,910	255,910	-	-	-
Property, equipment and right-of-use assets	480,972	-	-	-	480,972
	$ 14,944,430	$ 8,340,134	$ 5,983,529	$ -	$ 620,767

(i) Private Company and SAFT investments are included in the 1-3 years category since they are not expected to be liquidated within 1 year.

(d) Currency risk:

The Company presently holds funds in Canadian dollars but some of its liabilities are denominated in U.S. dollars. The Company does not engage in any hedging activities to mitigate its foreign exchange risk. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of the Company's financial instruments. The Company does not hedge its foreign currency exposure.

The following assets and liabilities (excluding investments and digital assets) were denominated in foreign currencies:

	June 30, 2021	June 30, 2020
Denominated in U.S. dollars:		
Cash	**$ 36,934**	$ 219
Due from (to) brokers, net	**(37,168)**	(399,574)
Accounts payable and accrued liabilities	**(20,967)**	(18,282)
Net assets (liabiilities) denominated in U.S. dollars	**$ (21,201)**	$ (417,637)

The following table shows the estimated sensitivity of the Company's after-tax net loss for the year ended June 30, 2021 from a change in the U.S. dollar exchange rate in which the Company has significant exposure with all other variables held constant as at June 30, 2021:

Percentage of change in U.S. dollar exchange rate	**Change in after-tax net income from % change in the U.S. dollar exchange rate**	
2%	**$**	**312**
4%		**623**
6%		**935**
8%		**1,247**
10%		**1,558**

The following table shows the estimated sensitivity of the Company's after-tax net loss for the year ended June 30, 2020 from a change in the U.S. dollar exchange rate in which the Company has significant exposure with all other variables held constant as at June 30, 2020:

Percentage of change in U.S. dollar exchange rate	**Change in after-tax net income from % change in the U.S. dollar exchange rate**	
2%	$	6,139
4%		12,279
6%		18,418
8%		24,557
10%		30,696

(e) Digital assets regulatory risk:

Uncertainties exist with respect to the legality of SAFT investments in certain jurisdictions, as some SAFT investments might not be registered under the local securities law.

Principal Business Risks

ThreeD's financial condition, results of operation and business are subject to certain risks, which may negatively affect them. Certain of these risks are described below in addition to elsewhere in this MD&A.

(a) Cash flows:

The Company generates revenue and cash flows primarily from its proceeds from the disposition of its investments, in addition to interest income earned on the Company's investments. The availability of these sources of funds and the amount of funds generated from these sources are dependent upon various market factors some of which are outside of the Company's direct control.

(b) Private issuers and illiquid securities:

The Company invests in securities of private issuers. Investments in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. These limitations may impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of the Company's private company investments or that the Company will otherwise be able to realize a return on such investments. The Company also invests in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, the Company may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

(c) Simple Agreement for Future Tokens (SAFTs):

The Company invests in SAFTs which is an agreement with a promise by the company to distribute tokens to investors in the future (ie: a token presale and not an ICO). There may be no resale of the SAFT and a considerable period of time may elapse between the payment of the SAFT and the receipt of the tokens, if at all. SAFTs are subject to high risks, see "Digital assets" below.

(d) Investment risks:

The Company acquires securities of public and private companies from time to time, which are primarily junior or small-cap companies. The market values of these securities can experience significant fluctuations in the short and long term due to factors beyond the Company's control. Market value can be reflective of the actual or anticipated operating results of the companies and/or the general market conditions that affect a specific sector as a whole, such as fluctuations in commodity prices and global political and economical conditions. The Company's investments are carried at fair value, and unrealized gains/losses on the securities and realized losses on the securities sold could have a material adverse impact on the Company's operating results. In recent years equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies.

(e) Digital assets:

The Company acquires digital assets which include digital coins, tokens, and SAFTs. The risks associated with digital assets are similar to investments risks, in addition, digital assets have a limited history and the fair value less cost to sell historically has been very volatile. Historical performance of digital assets are not indicative of their future price performance. Certain digital assets are illiquid investments, are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy.

The Company has not hedged the conversion of any of its digital assets to traditional fiat currencies.

In addition, the majority of digital assets investments made by the Company are held within the cold wallets (hardware wallets). The cold wallets are used to maintain one or more digital wallets, whose private keys are maintained on computers or other devices that are not connected to the Internet or any other computer network. The cold wallets also keep the private keys that provide access to the digital wallets and facilitate the transfer of digital assets in accordance with the Company's instructions.

Certain tokens are held within the hot wallets (exchange wallets). Security breaches, computer malware and computer hacking attacks have been a prevalent concern of using the hot wallets. Any security breach caused by hacking could cause loss of digital assets.

In addition to the security access to wallets, there is a risk of fraudulent users and the reliability of the underlying blockchain of digital coins and tokens. There is no certainty of knowing the transaction between two individuals who are represented by a private and public key are in fact who they represent and are not a fraudulent individual. Because of how blockchain is set up, through total anonymity, it is difficult to confirm that the risk does not exist that the "person" on the other end may not be who you expect it to be. And there is an inherent risk that the proof of concept being supported by blockchain itself fails. A blockchain relies on a consensus model to operate. If for some reason the majority of participants were no longer invested in the success of the network, it would no longer be considered reliable. As a result, the integrity of transactions would be lost.

(f) Non-controlling interests:

The Company's investments include equity securities of companies that the Company does not control. These securities may be acquired by the Company in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the company in which the investment is made may make business, financial or management decisions with which ThreeD does not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of the Company's investments could decrease and the Company's financial condition, results of operations and cash flow could suffer as a result.

(g) Dependence on management:

The Company is dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success will depend upon the continued service of these individuals who are not obligated to remain employed with ThreeD. A loss of key personnel - members of management in particular - could impair our ability to execute our strategy and implement our operational objectives, all of which would have a material adverse effect on the company.

(h) Exchange rate fluctuations:

A significant portion of the Company's portfolio is invested in U.S. dollar denominated investments, as well, from time to time, investments and digital assets are denominated in other foreign currencies. Changes in the value of the foreign currencies in which the Company investments are denominated could have a negative impact on the ultimate return on the Company's investments and digital assets and overall financial performance.

(i) Novel corona virus ("COVID-19")

In March 2020, the global outbreak of COVID-19 was declared a pandemic by the World Health Organization. COVID-19 continues to evolve and has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. To date, the Company's operations have not been significantly affected by COVID-19 or the restrictions put in place to fight the virus. Throughout the year ended June 30, 2021, ThreeD's employees have worked from home and the Company has kept in close contact with its investees to evaluate the impacts of COVID-19 on ThreeD's investments. While measures, such as vaccines, are being used to combat COVID-19, it is still unknown the true extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, the effect on investees and business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries. The Company continues to monitor its investment and digital assets portfolio and assess the impact COVID-19 will have on its business activities.

Significant Accounting Policies

Refer to Note 3 of the notes to the consolidated financial statement as at and for the year ended June 30, 2021 for details of the Company's basis of preparation of the consolidated financial statements.

Some significant accounting policies used in the presentation of the consolidated financial statements are as follows:

(a) Financial investments:

(i) Classification:

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statements of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statements of net income and comprehensive income for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9, Financial Instruments ("IFRS 9") for each financial instrument:

Classification	IFRS 9
Cash	FVTPL
Investments, at fair value	FVTPL
Accounts receivables	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Due from (to) brokers	Amortized Cost
Advances from officer	Amortized Cost
Lease liabilities	Amortized Cost

(ii) Recognition, de-recognition and measurement:

Purchases and sales of investments are recognized on the settlement date.

Investments at fair value through profit or loss are initially recognized at fair value where reliable basis for determination exists. Transaction costs are expensed as incurred in the consolidated statement of income and comprehensive income. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the consolidated statement of net income and comprehensive income within net change in unrealized gains or losses on investments in the period in which they arise.

(iii) Reclassification of investments:

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

(iv) Determination of fair value:

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities reported at fair value) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith.

1. Publicly-traded investments:

    a. Securities, including shares, options, and warrants that are traded in an active market (such as on a recognized securities exchange) and for which no sales restrictions apply are presented at fair value based on quoted closing trade prices at the consolidated statements of financial position date or the closing trade price on the last day the security traded if there were no trades at the consolidated statements of financial position date. These investments are included in Level 1.

    b. Securities that are traded on a recognized securities exchange, but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 25%, using Finnerty's put option model. In determining the discount for such investments, the Company considers the nature and length of the restriction. These investments are included in Level 2.

    c. For options and warrants that are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value. These investments are included in Level 2.

    d. Convertible debentures and loans are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at the end of each financial reporting period, the combined instrument is adjusted to fair value based on alternative methods. These investments are included in Level 2.

2. Private company investments:

    All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below. These investments are included in Level 3.

    The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

    Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed.

The fair value of a privately-held investment may be adjusted if:

a. there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;

b. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a material impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;

c. the investee company is placed into receivership or bankruptcy;

d. based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;

e. share price, enterprise value, or other valuations indicators of peer companies comparable to the Company's investee significantly changes;

f. receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);

g. filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;

h. release by the investee company of positive/negative exploration results; and

i. important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

(b) Digital assets at fair value less cost to sell ("FVLCTS"):

Digital coins and digital tokens held by the Company are carried at fair value less cost to sell for the purposes of consolidated financial statements. The Company determines the fair value of such digital coins and digital tokens using the closing price on the valuation date price provided by the crypto exchange that the Company considers the principal market.

To determine which exchange is the principal market for the purpose of calculating the fair value less cost to sell of a particular digital asset, the Company considers only those exchanges that are available to be used by the Company, have an online trading platform and published transaction price and volume data. The determination of principal market is specific to a particular digital asset. Based on these requirements, the Company prepares a list of eligible crypto exchanges and consider the following criteria to select the principal market: (i) whether it contains the crypto trading pairs that Company transacts with; (ii) the volume of digital coins and digital tokens traded on such exchange in the prior twelve month.

The Company evaluates the principal markets annually and conducts a quarterly analysis to determine if any changes in principal market required.

Digital Coins and tokens which are not actively traded and purchases under SAFTs are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value (depending upon the circumstances) maybe adjusted using one or more valuation indicators (refer to the accounting policy for the fair value of a privately-held investments). These are included in Level 3.

(c) Revenue recognition:

Dividend income is recorded on the ex-dividend date and when the right to receive the dividend has been established. Interest income and other income are recorded on an accrual basis when performance obligations, if any, have been achieved.

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the consolidated statement of net income and comprehensive income. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed so as to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the consolidated statement of net income and comprehensive income as incurred.

Purchases and sales of digital assets are recognized on the day in which the Company and the counterparty consummates the transaction. The Company also accepts and receives digital currency as consideration for services and in private placement financings. The digital assets are recorded on the statement of financial position, as digital assets, at their fair value less cost to sell and re-measured at each reporting date.

Realized gains and losses on disposal of digital assets and unrealized gains and losses in the value of digital assets are reflected in the consolidated statements of net income and comprehensive income. Upon disposal of a digital currency, previously recognized unrealized gains or losses are reversed so as to recognize the full realized gain or loss in the period of disposition. Digital assets which are traded on an exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 25%. In determining the discount for such digital currency, the Company considers the nature and length of the restriction. SAFTs are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of a SAFT may (depending upon the circumstances) be adjusted using one or more valuation indicators.

All transaction costs associated with the acquisition and disposition of digital currency are expensed to the consolidated statements of net income and comprehensive income as incurred. The Company records the revaluation of gains and losses in profit and loss because this is considered to be the most fair and accurate presentation of the Company's operations to the users of the financial statements.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the purchase, sale or exchange of digital assets and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of revenue transactions in digital assets. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings. initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more valuation indicators.

(d) Foreign currency:

(i) Functional currency:

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. Each subsidiary of the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of Brownstone Ventures (Barbados) Inc. is U.S. dollars. The functional currency of 2121197 Ontario Ltd. and Blockamoto.io Corp. is Canadian dollars.

(ii) Transactions and balances:

Transactions in foreign currencies are initially recorded in the functional currency at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange in effect at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(iii) Translation of foreign operations:

The results and financial position of ThreeD's subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

1. Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

2. Share capital is translated using the exchange rate at the date of the transaction;

3. Revenue and expenses for each consolidated statements of net income and comprehensive income are translated at average exchange rates; and

4. All resulting exchange differences are recognized as a separate component of equity and as an exchange difference on translation of foreign operations in other comprehensive income in the consolidated statement of net income and comprehensive income.

The Company treats specific inter-company loan balances that are not intended to be repaid in the foreseeable future as part of its net investment in a foreign operation, which is recorded as an exchange difference on translation of foreign operations in other comprehensive income in the consolidated statement of net income and comprehensive income.

When a foreign entity is sold, such exchange differences are reclassified to income or loss in the consolidated statement of net income and comprehensive income as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Non-monetary transactions:

Transactions in which shares or other non-cash consideration are exchanged for assets or services are valued at the fair value of the assets or services involved.

(f) Income taxes:

(i) Current income tax:

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not through profit or loss.

(ii) Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against which the

deductible temporary difference and the carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the consolidated statement of net income and comprehensive income.

Deferred tax assets and deferred tax liabilities are not offset unless a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax assets is reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each consolidated statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

The Company does not record deferred tax assets to the extent that it considers deductible temporary differences, the carry-forward of unused tax credits and unused tax losses cannot be utilized.

(g) Stock-based compensation plan:

Employees (including officers), directors, and consultants of the Company receive remuneration in the form of stock options granted under the plan for rendering services to the Company. Any consideration received by the Company on the exercise of stock options is credited to share capital. The cost of options is recognized, together with a corresponding increase in contributed surplus, over the period in which the corresponding performance and/or service conditions are fulfilled, ending on the date on which the relevant optionee becomes fully entitled to the award ("vesting date").

The cumulative expense recognized for option grants at each reporting date until the vesting date reflects the portion of the vesting period that passed and the Company's best estimate of the number of options that will ultimately vest on the vesting date. The Company records compensation expense and credits contributed surplus for all stock options granted, which represents the movement in cumulative expense recognized as at the beginning and end of that period.

Stock options granted during the period are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value for these options is estimated at the date of grant using the Black-Scholes option pricing model. The Company is also required to estimate the expected future forfeiture rate of options in its calculation of stock-based compensation expense.

Where the terms of a stock option award are modified, the minimum expense recognized in compensation expense is the expense as if the terms had not been modified. An additional expense is recognized for any modification that increases the total fair value of the option, or is otherwise beneficial to the optionee as measured at the date of modification.

Where an option is cancelled, any expense not yet recognized for the vested options on the date of cancellation is recognized immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(h) Earnings (loss) per common share:

Basic earnings (loss) per common share is determined by dividing net profit (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per common share is calculated in accordance with the treasury stock method and based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Changes in Accounting Policies

Effective July 1, 2020, the Company adopted amendments to International Accounting Standards ("IAS") 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors which were issued in October 2018. The amendments are effective for annual periods beginning on or after January 1, 2020 and are to be applied prospectively. The amendments update the definition of material.

The adoption of this amendment did not have any impact on the Company's consolidated financial statements.

Future Changes in Accounting Policies

The IASB and the International Financial Reporting Interpretations Committee ("IFRIC") have issued the following new and revised Standards and Interpretations that are not yet effective for the relevant reporting periods and the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company. The Company intends to adopt these standards, if applicable, when the standards become effective:

(a) Effective for annual periods beginning on or after January 1, 2022, the Company will adopt amendments to International Accounting Standards ("IAS") 16, '*Property, plant and equipment*', the amendment prohibits a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the assets for its intended use, instead, a company will recognize such sales proceeds and related cost in profit or loss.

(b) Effective for annual periods beginning on or after January 1, 2022, the Company will adopt amendments to IAS 37, '*Provisions, contingent liabilities and contingent assets*', the amendment specifies which costs a company includes when assessing whether a contract will be loss-making.

(c) Effective for annual periods beginning on or after January 1, 2023, the Company will adopt amendments to IAS 1, '*Presentation of financial statements*', the amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

(d) Effective for annual periods beginning on or after January 1, 2023, the Company will adopt amendments to IAS 12, '*Income taxes*', the amendment requires companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Critical accounting estimates used in the preparation of the Company's consolidated financial statements include the Company's valuation of its privately-held investments, valuation of SAFTs, the valuation related to the Company's deferred tax assets ("DTA") and deferred tax liabilities ("DTL"), and the Company's estimate of inputs for the calculation of the fair value of stock-based compensation expense, the Company's own warrants and broker warrants, and unlisted warrants of investees held by ThreeD.

Valuation of privately-held investments:

The valuation of these investments ("private investments") requires management to assess the current financial status and prospects of private investments based upon potentially incomplete or unaudited financial information provided by the investee company, on management's general knowledge of the private investment's activities, and on any political or economic events that may impact upon the private investment specifically, and to attempt to quantify the impact of such events on the fair value of the investment. In addition to any events or circumstances that may affect the fair value of a particular private investment, management can consider general market conditions that may affect the fair value of either a particular private investment or of a group, segment or complete portfolio of private investments.

Changes in the fair value of our private investments for company-specific reasons have tended to be infrequent. Changes as a result of general market conditions may be more frequent from period to period during times of significant volatility. Given the relatively size of our private investment portfolio, such changes can have a material impact on our financial condition or operating results. For the year ended June 30, 2021 and 2020, the Company had the following changes in its private investments categorized as level 3 in the financial instrument hierarchy:

Balance as at June 30, 2019	$	14,306,703
Purchases		1,170,886
Proceeds on disposals		(1,504,285)
Realized losses on disposals		(283,347)
Transfer to Level 1		(4,180,800)
Transfer to Level 2		(885,962)
Net unrealized losses		(2,639,666)
Balance as at June 30, 2020	$	5,983,529
Purchases		**6,864,936**
Proceeds on disposals		**-**
Realized losses on disposals		**(45,154)**
Transfer to Level 1		**(3,370,797)**
Transfer to Level 2		**(207,074)**
Net unrealized gains		**7,728,997**
Balance as at June 30, 2021	**$**	**16,954,437**

Valuation of SAFTs:

The valuation of SAFTs requires management to assess the current financial status and prospects of receiving tokens in the future based upon potentially incomplete or information provided by the investee company, on management's general knowledge of the private company's activities, and on any political or economic events that may impact upon the private company specifically, and to attempt to quantify the impact of such events on the fair value of the SAFT.

All SAFTs were written down to $nil as at June 30, 2019. There were no changes to the fair value measurements of digital assets classified as Level 3 for the year ended June 30, 2021 and year ended June 30, 2020.

Deferred tax assets:

Deferred tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

DTL are recognized for all taxable temporary differences and DTA are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. The Company does not record DTA to the extent that it considers it is not more likely than not that deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

Management determined, based upon expectations for future taxable income that there is uncertainty if the Company will realize the tax benefits of the DTA during the next several years and therefore has determined not to record any DTA.

Stock-based Compensation Expense/Warrants:

The Company uses the Black-Scholes option pricing model to calculate stock-based compensation expense and the fair value of the warrants and broker warrants issued under the Company's private placements. The model requires six key inputs: exercise price, market price at date of issue, risk free interest rate, expected dividend yield, expected life and expected volatility. The first two inputs are facts rather than estimates, while the risk-free interest rate, expected life, expected volatility and expected dividend yield (estimated at 0% based on the Company's history of not paying any dividends) are based on the Company's estimates. A shorter expected life of the option, lower volatility number or higher dividend yield used would result in a decrease in stock-based compensation expense. A longer expected life of the option or a higher volatility number used would result in an increase in stock-based compensation expense. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

During the year ended June 30, 2021, the Company granted 4,230,000 stock options to directors, officers, employees, and consultants of the Company, exercisable at a prices between $0.30 and $1.25 per share expiring between August 24, 2021 and March 26, 2026. The fair value of the options granted during the year ended June 30, 2021 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used	
Expected volatility	**178.7%-251.9%**
Expected dividend yield	**0%**
Risk-free interest rate	**0.23%-0.45%**
Expected option life in years	**1-3.3 years**
Expected forfeiture rate	**5.5%-6.0%**
Fair value per stock option granted on August 24, 2020	**$ 0.30**
Fair value per stock option granted on September 15, 2020	**$ 0.22**
Fair value per stock option granted on November 19, 2020	**$ 0.34**
Fair value per stock option granted on January 15, 2021	**$ 0.65**
Fair value per stock option granted on March 26, 2021	**$ 0.85**

During the year ended June 30, 2020, the Company granted 512,500 stock options to directors of the Company, exercisable at an average price of $0.14 per share expiring between September 18, 2024 and May 12, 2025. The fair value of the options granted during the year ended June 30, 2020 was estimated at the date of grant using the Black-Scholes option valuation model with the following assumptions:

Black-Scholes option valuation model assumptions used (weighted average)	
Expected volatility	**112.66%-182.74%**
Expected dividend yield	**0%**
Risk-free interest rate	**0.29%-1.51%**
Expected option life in years	**3.5 years**
Expected forfeiture rate	**6.9%-7.1%**
Fair value per stock option granted on September 18, 2019	**$ 0.14**
Fair value per stock option granted on May 12, 2020	**$ 0.09**

The expected volatility is based on the average historical volatility over the life of the option at ThreeD's share price. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on historical options granted.

For the year ended June 30, 2021, included in operating, general and administrative expenses is stock-based compensation of $1,384,563 (June 30, 2021 - $222,470) relating to the stock options granted to directors, officers, employees and consultants of the Company.

The Company did not issue any warrants during the year ended June 30, 2021. As at June 30, 2021, the warrants outstanding were as follows:

Number of warrants outstanding	Exercise price ($)	Expiry date	Warrant Value ($)
416,666	1.80	March 1, 2022	173,195
1,066,661	1.80	April 13, 2022	509,678
2,143,269	0.40	May 31, 2022	220,791
625,000	0.40	July 2, 2022	70,360
1,275,000	0.40	August 20, 2022	106,033
1,101,662	1.80	August 23, 2022	489,982
650,000	0.40	September 13, 2022	52,311
904,164	1.80	October 30, 2022	394,155
8,182,422			2,016,505

During the year ended June 30, 2020, the Company completed non-brokered private placements as follows:

Date	Total gross proceeds	Issuance costs	Number common shares	Number of warrants	Exercise price warrants	Expiry date of warrants
July 2, 2019	$ 662,482	$ 2,521	2,548,006	2,548,006	$ 0.40	July 2, 2022
August 20, 2019	255,000	3,171	1,275,000	1,275,000	0.40	August 20, 2022
September 13, 2019	260,000	3,951	1,300,000	1,300,000	0.40	September 13, 2022
November 22, 2019	165,000	2,627	1,250,000	1,250,000	0.20	November 22, 2022
December 23, 2019[(i)]	250,000	6,208	1,250,000	-	-	-
January 28, 2020	590,000	2,073	4,916,666	4,916,666	0.20	January 28, 2023
February 24, 2020	300,000	4,261	2,500,000	2,500,000	0.20	February 24, 2023
May 8, 2020	100,000	2,103	1,000,000	1,000,000	0.15	May 8, 2023
Total	$ 2,582,482	$ 26,915	16,039,672	14,789,672		

(i) On December 23, 2019, the Company acquired 3,000,000 units of St-Georges (CSE: "SX") at a price of $0.10 per unit. In consideration, the Company issued an aggregate of 1,250,000 common shares of the Company at a deemed price of $0.20 per common share and made a cash payment in the amount of $50,000.

The purchase warrants issued during the year ended June 30, 2020 were valued using the Black-Scholes option pricing model with the following assumptions:

	Black-Scholes option valuation model assumptions used:				
	Expected volatility (%)	Expected dividend yield (%)	Risk-free interest rate (%)	Expected option life in years	Fair value per warrant issued, net of share issuance costs
July 2, 2019	144.31	0	1.43	3	0.11
August 20, 2019	144.94	0	1.29	3	0.08
September 13, 2019	136.18	0	1.58	3	0.08
November 22, 2019	137.05	0	1.56	3	0.05
January 28, 2020	159.67	0	1.46	3	0.05
February 24, 2020	165.42	0	1.30	3	0.05
May 8, 2020	184.62	0	0.26	3	0.05

The expected volatility is based on the average historical volatility over the life of the warrants at the Company's share price. The Company has not paid any cash dividends historically and has no plans to pay cash dividends in the foreseeable future. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected warrant life in years represents the period of time that the warrants are expected to be outstanding based on historical warrants issued. The total value (net of share issuance costs) assigned to the purchase warrants was $989,185.

Valuation of Unlisted Warrants and Convertible Debentures of Investees:

The Company uses the Black-Scholes option pricing model and or other valuation techniques to calculate the fair value of unlisted warrants and convertible debentures of investees. The model requires six key inputs: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. The first four inputs are facts rather than estimates, while the expected life, expected volatility and expected dividend yield (estimated at 0% based on the Company's history of not paying any dividends) are based on the Company's estimates. A shorter expected life of the warrant, lower volatility number or higher dividend yield used would result in a decrease in the fair value of the warrant. A longer expected life of the warrant or a higher volatility number used would result in an increase in the fair value of the warrant. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. As at June 30, 2021 and 2020, the fair value of unlisted warrants and convertible debentures were $1,470,673 and $5,881,284, respectively.

Outstanding Share Data

Subsequent to June 30, 2021, 36,666 stock options were exercised for proceeds of $7,667, resulting in the Company issuing 36,666 common shares.

Subsequent to June 30, 2021, 1,622,000 warrants with an expiration date of May 31, 2022, were exercised for total proceeds received of $648,800, resulting in the Company issuing 1,622,000 common shares.

Subsequent to June 30, 2021, the previously mentioned 82,000 common shares held in treasury were cancelled.

Subsequent to June 30, 2021, the Company announced its intention to effect a new normal course issuer bid ("2021 NCIB") through the facilities of the CSE. Pursuant to the NCIB, the Company may, during the twelve-month period commencing July 21, 2021, and ending July 20, 2022, purchase on the CSE up to 2,316,827 common shares in total, representing approximately 5% of the common shares issued and outstanding as of July 15, 2021. The price which ThreeD will pay for any such shares will be the market price at the time of acquisition. The actual number of common shares which may be purchased and the timing of any such purchases will be determined by ThreeD. As at the date of this MD&A, a total of 1,236,400 common shares have been repurchased and cancelled by ThreeD under the 2021 NCIB at an average cost of $1.12 per share for total cost of $1,384,584.

Subsequent to June 30, 2021, the Company has entered into a consulting agreement with Florton Artias Consulting Inc. (the 'Consultant') pursuant to which the Consultant will provide investor awareness services to the Company. For these services, the Company will issue 300,000 stock options exercisable into common shares of the Company at an exercise price of $1.13 per share. The options vest immediately and expire in two years from grant date. The contractual services of the Consultant will continue for a two-year period.

Subsequent to June 30, 2021, The Company entered an advisory agreement with an advisor pursuant to which the advisor will provide facilitating strategic introductions, showing investment opportunities of interest to the Company, perform due diligence of potential investments as needed and other advisory services. For these services, the Company issued a one-time payment of 100,000 options in advance. Each option is exercisable at a price of $1.30 per option, for a period of three years from the date of issuance. The options will vest over 18 months with one-sixth of the options vesting every three months starting three months from the agreement taking effect.

As at the date of this MD&A, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of ThreeD are as follows:

Common shares	**Number of securities outstanding**	Number of securities exercisable
Outstanding	**46,758,818**	46,758,818
Issuable under the exercise of options	**5,690,408**	4,323,737
Issuable under the exercise of warrants	**6,560,422**	6,560,422
	59,009,648	57,642,977

Refer to Note 10 of the Notes to the consolidated financial statements for the year ended June 30, 2021 for details of the Company's share capital as at June 30, 2021.

Officers Certification of Evaluation of Disclosure Controls and Internal Controls Over Financial Reporting

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the audited consolidated annual financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the annual audited consolidated financial statements; and (ii) the annual audited consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of: (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of audited consolidated annual financial statements for external purposes in accordance with the Company's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Use of Non-GAAP Financial Measures

This MD&A contains references to "net asset value per share" ("NAV") which is a non-GAAP financial measure. NAV is calculated as the value of total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. The term NAV does not have any standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP financial measure presented in ThreeD's consolidated financial statements and thus no applicable quantitative reconciliation for such non-GAAP financial measure. The Company believes that the measure provides information useful to its shareholders in understanding the Company's performance, and may assist in the evaluation of the Company's business relative to that of its peers. This data is furnished to provide additional information and does not have any standardized meaning prescribed by GAAP. Accordingly, it should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP, and is not necessarily indicative of other metrics presented in accordance with GAAP. Existing NAV of the Company is not necessarily predictive of the Company's future performance or the NAV of the Company as at any future date.

Additional Information

Additional information relating to ThreeD may be found on the Company's website at www.threedcapital.com and the Company's profile on SEDAR at www.sedar.com.