INTELLABRIDGE TECHNOLOGY CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

(Expressed in US Dollars)

INTELLABRIDGE TECHNOLOGY CORP.

INTELLABRIDGE TECHNOLOGY CORP.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

November 30, 2020

INTELLABRIDGE TECHNOLOGY CORP.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in US Dollars)

	Notes		**September 30, 2020 (Unaudited)**		December 31, 2019 (Audited)
ASSETS					
Cash and cash equivalents		**$**	(3 780)	$	20 988
Receivables	4		38 148		6 481
Prepaid	6		21 634		14 840
Loan receivable	5		-		74 602
Digital currencies	8		591		270
Assets held for sale	9		305 209		305 209
			361 802		422 390
Property, plant and equipment	9,11		1 273		16 351
Advances	7		10 000		10 000
Investments	7		45 000		45 000
		$	418 075	$	493 741
LIABILITIES					
Accounts payable and accrued liabilities	10	**$**	173 409	$	186 730
Due to related party	14		268 904		148 516
Lease liability	11		-		3 042
			442 313		338 288
Economic Injury Disaster Loan	12		10 000		-
TOTAL LIABILITIES			452 313		338 288
SHAREHOLDERS' EQUITY					
Share capital	13		7 262 188		7 262 188
Reserves	13		852 379		848 907
Accumulated other comprehensive income			(49 137)		(56 445)
Deficit			(8 099 668)		(7 899 197)
			(34 238)		155 453
		$	418 075	$	493 741

Nature of Operations (Note 1)
Commitments (Note 15)
Subsequent events (Note 19)
The accompanying notes are an integral part of these condensed consolidated interim financial statements.

INTELLABRIDGE TECHNOLOGY CORP.

Condensed Consolidated Interim Statement of Changes in Equity
For the nine months ended September 30, 2020 and 2019
(Expressed in US Dollars – Unaudited)

	Note	Share Capital: Number of shares	Share Capital: Amount	Reserves	Accumulated other comprehensive income	Deficit	Total Shareholders' equity
Balance at December 31, 2018		**56 471 844**	**$ 7 262 188**	**$ 839 172**	**$ (81 084)**	**$ (7 231 203)**	**$ 789 073**
Share based compensation	13	-	-	7 490	-	-	7 490
Net loss for the period		-	-	-	-	(511 754)	(511 754)
Other comprehensive income		-	-	-	21 939		21 939
Balance at September 30, 2019		56 471 844	7 262 188	846 662	(59 145)	(7 742 957)	306 748
Share based compensation	13	-	-	2 245	-	-	2 245
Net loss for the period		-	-	-	-	(156 240)	(156 240)
Other comprehensive income		-	-	-	2 700		2 700
Balance at December 31, 2019		56 471 844	7 262 188	848 907	(56 445)	(7 899 197)	155 454
Share based compensation	13	-	-	3 472	-	-	3 472
Net loss for the period		-	-	-	-	(200 471)	(200 471)
Other comprehensive income		-	-	-	7 308		7 308
Balance at September 30, 2020		56 471 844	$ 7 262 188	$ 852 379	$ (49 137)	$ (8 099 668)	$ (34 238)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

INTELLABRIDGE TECHNOLOGY CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the nine months ended September 30, 2020 and 2019
(Expressed in US Dollars - Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2020**	2019	**2020**	2019
Sales of product and services		**21 580**	$	**103 479**	$ 500 305
Cost of sales		**18 379**	-	**53 053**	156 422
GROSS PROFIT		**3 201**	-	**50 426**	343 883
Operating expenses					
Advertising and marketing		**1 116**	20 043	**4 187**	43 410
Amortization	9	**761**	9 519	**12 184**	29 145
Application development		**-**	78 529	**-**	213 648
Bad debt		**-**	-	**-**	3 333
Depreciation on right-of-use asset		**-**	**-**	**2 799**	-
Bank charges		**1 482**	2 151	**5 122**	6 655
Consulting fees		**471**	1 422	**897**	1 422
Management fees and salaries		**45 619**	83 675	**150 713**	247 652
Office and administration		**5 320**	33 516	**33 927**	180 459
Professional fees		**5 694**	17 292	**24 844**	124 843
Regulatory and transfer agent fees		**9 020**	5 915	**20 671**	18 903
Rent and utilities		**227**	19 558	**4 337**	64 437
Share-based compensation	13	**976**	2 244	**3 472**	7 490
Travel		**14**	(3 915)	**2 358**	27 686
		70 700	(269 949)	**265 511**	**(969 083)**
NET LOSS BEFORE OTHER ITEMS		**(67 499)**	(269 949)	**(215 085)**	(625 200)
OTHER ITEMS					
Interest and other income		**-**	60	**3 960**	300
Recovery of bad debt		**-**	20,000	**10 650**	30 000
Realized gain on digital currency transactions		**-**	3 089	**-**	34 374
Loss on revaluation of digital currencies		**-**	247	**4**	(1 720)
Write-off of Property & Equipment	9	**-**	(308)	**-**	(308)
Listing expense			(628)		(1 635)
		-	22 460	**14 614**	61 011
NET LOSS FROM CONTINUING OPERATIONS		**(67 499)**	(247 489)	**(200 471)**	**(564 189)**
Gain from discontinued operations		**-**	-	**-**	52 435
NET LOSS FOR THE PERIOD		**(67 499)**	(247 489)	**(200 471)**	**(511 754)**
Other comprehensive loss that may be reclassified to profit and loss:					
Unrealized foreign exchange gain (loss)		**(1 863)**	(11 338)	**7 308**	21 939
COMPREHENSIVE LOSS FOR THE PERIOD		**$ (69 362)**	$ (258 827)	**$ (193 163)**	$ **(489 815)**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

INTELLABRIDGE TECHNOLOGY CORP.

Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended September 30, 2020 and 2019
(Expressed in US Dollars - Unaudited)

		For the nine months ended September 30, 2020	For the nine months ended September 30, 2019
Cash provided by (used in):			
Operating:			
Net loss for the period		**$ (200 471)**	$ (511,754)
Items not involving cash:			
Amortization	9	**12 184**	29 145
Depreciation of right-of-use asset	9	**2 799**	-
Interest on lease liability		**37**	-
Write off of equipment		**-**	1 635
Realized (gain) on digital currency transactions		**-**	(34 374)
(Gain) Loss on revaluation of digital currencies		**(4)**	1 720
Accrued interest on convertible loan receivable		**(1 321)**	-
Bad debt expense		**-**	3 333
Share-based compensation		**3 472**	7 490
Recognition of deferred revenue		**-**	(100)
		(183 304)	(502 597)
Changes in non-cash operating working capital items:			
Receivables		**(31 667)**	(140 893)
Prepaid expenses and deposits		**(6 795)**	45 149
Accounts payable and accrued liabilities		**(13 321)**	(36 721)
Due to related party		**120 389**	98 263
Advances from customers			50 000
		(114 698)	(472 579)
Investing			
(Purchase) sale of digital currencies		**(317)**	126 340
Acquisition of property and equipment		**-**	(12 190)
Advances and investments		**-**	(10 000)
Proceeds from sale of Convertible Debenture		**69 621**	-
		69 304	104 150
Financing			
Lease payments		**(2 977)**	-
Economic Injury Disaster Loan		**10 000**	-
		7 023	-
Effect of foreign exchange on cash flows		**13 603**	20 306
Change in cash during the period		**(24 768)**	(348 123)
Cash, beginning of the period		**20 988**	360 405
Cash, end of year		**$ (3 780)**	$ 12 282

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

Intellabridge Technology Corp. (formerly Cryptanite Blockchain Technologies Corp.) (the "Company" or "Intellabridge") was incorporated on June 24, 1986 under the laws of British Columbia.

The Company's head office, principal address and records office 2060 Broadway Suite B1, Boulder, Colorado, 80302.

On March 7, 2018, the Company completed a reverse takeover transaction (the "RTO"), which was effected pursuant to a merger agreement between Westbay Ventures Inc. and ChargaCard, Inc. ("ChargaCard") , a private corporation existing under the laws of Delaware with its head office in Boulder, Colorado.

As part of the transaction, the Company voluntarily delisted its common shares from the TSX Venture Exchange effective February 28, 2018, changed its name to Cryptanite Blockchain Technologies Corp. and commenced trading its shares on the Canadian Securities Exchange ("CSE") under the symbol NITE on March 12, 2018. On June 26, 2018, the Company commenced trading on the OTCQB Venture Market in the United States of America under the symbol: CRBTF. On July 18, 2018, the Company also commenced trading on the Frankfurt Stock Exchange under the symbol 98AA.

Effective October 24, 2019, the Company changed its name from Cryptanite Blockchain Technologies Corp. to Intellabridge Technology Corp. and commenced trading its shares on the CSE under the new name and symbol INTL.

Intellabridge is a technology-based company developing block-chain solutions for a variety of sectors including financial technology, marketplaces and virtual reality social networks. The Company is also exploring the application of blockchain technologies to other sectors such as a real estate, healthcare and telecommunication.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue its projected growth and to be able to implement its business plans and strategies. Given the volatile nature of the industry in which it operates, the Company is subject to risks and uncertainties that may adversely impact future operating results and cash flows.

As at September 30, 2020, the Company has an accumulated deficit of $8,099,668 (December 31, 2019 - $7,899,197) including a loss for the nine months ended September 30, 2020 of $200,471 (2019 - $511,754). These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of assets and liabilities which might be necessary should the Company be unable to continue in existence.

The interim consolidated financial statements were authorized for issue on November 30, 2020 by the directors of the Company.

2. BASIS OF PRESENTATION

Statement of compliance to International Financial Reporting Standards ("IFRS")

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these interim financial statements comply with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

These condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's annual financial statements for the year ended December 31, 2019. It is therefore recommended that these interim financial statements be read in conjunction with the Company's audited financial statements for the year ended December 31, 2019.

Basis of presentation and consolidation

The consolidated financial statements of the Company have been prepared on an accrual basis except for cash flow information and are based on historical costs, modified where applicable and the valuation of certain financial assets and financial liabilities to fair value.

The consolidated financial statements are presented in US dollars.

Subsidiaries

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able directly or indirectly, to control financial and operational policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases. Inter-company transactions and balances are eliminated upon consolidation.

The subsidiaries of the Company are as follows:

		Percentage owned		
	Country of incorporation	June 30, 2020	June 30, 2019	Functional currency
ChargaCard Inc. (1)	United States	100%	100%	USD
Cryptanite Ltd. (2)	Malta	100%	100%	EURO
Intellabridge LLC. (3)	Ukraine	100%	100%	UAH

(1) Acquired on March 7, 2018.
(2) Incorporated on October 9, 2018.
(3) Incorporated on August 7, 2018.

2. BASIS OF PREPARATION (cont'd)

Consolidation

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

All inter-entity balances and transactions, including unrealized profits and losses arising from inter-company transactions, have been eliminated in full on consolidation.

Significant accounting judgements, estimates and assumptions

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

The preparation of these condensed consolidated interim financial statements requires management to make judgments regarding going concern of the Company as discussed in Note 1.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based payments

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of options and warrants in order to calculate share-based payments expense and the fair value of agent warrants. The Black-Scholes Option Pricing Model involves key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

Recognition and Valuation of Deferred Tax Assets

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future or whether taxable temporary differences will reverse such that deferred tax assets can be utilized. Recognition therefore involves a degree of estimation and judgement regarding the future financial performance or the timing of the reversed deferred tax liabilities where deferred tax assets have been recognized.

Research and development costs

Evaluating whether or not costs incurred by the Company in developing its technology meet the criteria for capitalizing as intangible assets. Management determined that some products are able to complete intangible assets and are able, with sufficient certainty, to demonstrate that assets will generate future economic benefits. Development costs of these products are capitalized at cost value. Research and development costs of other products are recognized as period expense.

2. BASIS OF PREPARATION (cont'd)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of estimated discounts. The Company considers the terms of the sales contracts as well as industry practices, taking into consideration the type of customer, the nature of the transaction and the specific circumstances of each arrangement.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

The consolidated financial statements of the Company are presented in US dollars. The individual financial statements of each subsidiary are presented in its functional currency, the currency of the primary economic environment in which the entity operates. The functional currency of Intellabridge is the Canadian dollar, and the functional currencies of the subsidiaries are listed in Subsidiaries section of Note 2.

In preparing the financial statements of each subsidiary, transactions in currencies other than the entity's functional currency are translated at exchange rates in effect on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rate of the exchange in effect as at the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the time when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Revenue and expenses are translated at average exchange rates prevailing during the reporting period. Foreign currency differences arising on translation are recognized in the consolidated statement of comprehensive loss. All resulting exchange gains or losses are recognized as a foreign currency translation adjustment and included as a separate component of equity, Accumulated Other Comprehensive Income ("AOCI").

Digital currencies

Digital currencies consist of cryptocurrencies and are initially recorded at cost. Changes in the fair value of digital currencies are recorded in profit and loss in the period of the change. Digital currencies are measured using www.coinmarketcap.com to derive the fair value. The digital currency market is still a new market and is highly volatile. Historical prices are not necessarily indicative of future value, and a significant change in the market prices for digital currencies could have a material impact on the Company's earnings and financial position.

Property and equipment

Items of equipment are recorded at cost less accumulated depreciation and impairment charges. Such cost consists of the purchase price, any costs directly attributable to bringing the equipment to the location and condition necessary for its intended use.

Depreciation of equipment and leasehold improvements is calculated over the estimated useful lives as follows:

Computer equipment	24 months straight-line method
Office equipment and furniture	36 months straight-line method
Leasehold improvements	Term of lease
Other assets	100% amortization on purchase
Office lease	Term of lease

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment

The Company reviews the carrying amounts of its non-financial assets, including equipment, when events or changes in circumstances indicate the assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Assets carried at fair value, such as digital currencies, are excluded from impairment analysis.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of asset or cash generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Fair value less costs of disposal is estimated using recent market prices for similar items that would be received in an orderly transaction between market participants at the measurement date. If the recoverable amount of an asset or cash generating unit is reduced to its recoverable amount, an impairment loss is recognized immediately in the consolidated statement of loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

Income taxes

Income tax expense is comprised of current and deferred tax components.

The Company follows the liability method of accounting for taxes. Under this method, deferred tax assets and liabilities are recognized based on the estimated tax effects of temporary differences in the carrying amount of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax assets and liabilities are calculated using the enacted or substantively enacted income tax rates that are expected to apply when the asset is recovered or the liability is settled. Deferred tax assets or liabilities are not recognized when they arise on the initial recognition of an asset or liability in a transaction (other than in a business combination) that, at the time of the transaction, affects neither accounting nor taxable profit.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences or tax loss carry forwards can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date, and is reduced if it is no longer probable that sufficient future taxable profits will be available against which the temporary differences or tax loss carry forwards can be utilized.

Current tax is calculated based on net earnings for the year, adjusted for items that are non-taxable or taxed in different periods, using income tax rates that are enacted or substantively enacted at each reporting date. Income taxes are recognized in equity or other comprehensive income, consistent with the items to which they relate.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Share capital

Financial instruments issued by the Company are classified as equity only to the extent they do not meet the definition of a financial liability or financial asset. The Company's common shares, options and warrants are classified as equity instruments. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to profit or loss.

Warrants

Equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of commons shares and a certain number of share purchase warrants.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Share-based compensation

The Company has a share option plan. The fair value of share-based compensation to employees is measured at grant date using the Black-Scholes Option Pricing Model, and is recognized over the vesting period using the graded vesting method. The fair value of share-based compensation to non-employees is measured at the date the goods or services are received, at either the fair value of the goods or services received or the fair value of the equity instruments issued using the Black-Scholes Option Pricing Model, if the fair value of the goods or services received cannot be readily measured.

For both employees and non-employees, the fair value is recognized as an expense with a corresponding increase in reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. For share options granted with vesting terms conditional upon the achievement of a performance condition, and the performance condition is not a market condition, the Company revises its estimates of the length of the vesting period, if necessary, when information arises that indicates that the length of the vesting period differs from previous estimates. When this occurs, the change in estimate is accounted for prospectively.

Compensation expense is recorded in the consolidated statement of loss as share-based compensation expense with a corresponding credit to equity reserves. When stock options are exercised, the proceeds, together with the amount recorded in equity reserves, are recorded in share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial assets	
Cash	FVTPL
Receivables	Amortized cost
Loan receivable	FVTPL
Deposit	Amortized cost
Investments	FVTPL
Financial liabilities	
Trade payables	Amortized cost
Due to related parties	Amortized cost

The Company classifies its financial assets in one of the following categories: (1) financial assets at fair value through profit or loss ("FVTPL"), (2) loans and receivables at amortized cost or (3) financial assets at fair value through other comprehensive income ("FVTOCI"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise.

Amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on de-recognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

***Financial instruments** (cont'd)*

The Company's financial instruments at September 30, 2020 are as follows:

	Level 1	*Level 2*	*Level 3*
Financial assets			
Cash	$ (3,780)	$ –	$ –
Receivables	–	38,148	–
Advance	10,000	–	–
Investments	–	–	45,000
Financial liabilities			
Trade payables	–	173,409	–
Due to related parties	–	268,904	–
Economic Injury Disaster Loan	10,000	–	–

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

i) Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

ii) Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

iii) Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Cash deposits have been measured at fair value using Level 1 inputs. The carrying value of receivables, digital currencies, security deposits, trade payables and due to related parties approximate their fair value because of the short-term nature of these instruments or their ability of prompt liquidation.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, an impairment loss is recognized in the consolidated statement of loss. Impairment losses on financial assets carried at amortized cost, including loans and receivables, are calculated as the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Earnings/loss per share amounts

Basic per share amounts are calculated by dividing the net earnings or loss by the weighted average number of shares outstanding during the reporting period.

Diluted per share amounts are calculated by using the treasury stock method, by adjusting the weighted average number of shares outstanding for the potential number of issued instruments which may have a dilutive effect on net earnings or loss. This method assumes that proceeds received from the exercise of in-the-money instruments are used to repurchase common shares at the average market price for the period.

Revenue

The Company generates revenue by providing contracting development and IT services. Revenues from IT and other development services are recognized when services are provided and billed.

Leases

As at January 1, 2019, the Company adopted all of the requirements of IFRS 16 using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information, which continues to be reported under *IAS 17, Leases.*

Under IFRS 16, the Company is required to assess whether a contract is, or contains, a lease at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company evaluates whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement, and if the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use ("ROU") asset, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the
earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate of the Company. Lease payments included in the measurement of the lease liability include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the exercise price of purchase options if the Company is reasonably certain to exercise that option.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is re-measured when there is a modification, change in the lease term, change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

(Expressed in US Dollars - Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Effect of Adopting IFRS 16

The Company applied the modified retrospective approach on the adoption of IFRS 16, whereby comparative figures were not restated.

The Company has a corporate office sublease arrangement (Note 14). On January 1, 2019, the Company adopted IFRS 16 and recognized a lease liability and right of use asset of $20,268 (Notes 9 and 11) in relation to its office sublease, which had previously been classified as an operating lease under the principles of IAS 17. Under the principles of the new standard, this sublease is measured as the lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate estimated at 10% per annum.

The associated right-of-use asset has been measured at the amount equal to the lease liability on January 1, 2019. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term on a straight-line basis. Furthermore, the right-of-use asset may be reduced due to impairment losses.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to the statement of loss and comprehensive loss over the lease term and classified as rent expenses.

Accounting standard issued but not yet effective

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. RECEIVABLES

		September 30, 2020		December 31, 2019
Goods and services input tax credits	$	2,622	$	4,244
Other receivables		35,526		2,237
	$	38,148	$	6,481

5. LOAN RECEIVABLE

Where the transaction price in a service contract with a customer includes non-cash consideration, the Company measures that non-cash consideration at fair value. If the fair value of the non-cash consideration cannot be reasonably estimated, the entity must measure it indirectly, by reference to the stand-alone selling price of the goods or services promised to the customer in exchange for the consideration.

During fiscal 2019, the Company provided services to One Feather Mobile Technology Ltd. ("One Feather"), a privately held company. The transaction price, as outlined in the underlying service contract, was a stand-alone selling price of $125,000, which the Company initially recorded as a receivable.

(Expressed in US Dollars - Unaudited)

5. LOAN RECEIVABLE (cont'd)

On October 1, 2019, the Company entered into a convertible loan agreement with One Feather for settlement of the aforementioned services and recovery of the receivable. The convertible loan was interest bearing at 8% per annum maturing on November 4, 2019 with conversion rights and was secured by a general security agreement. The loan was convertible upon One Feather completing an initial public offering or becoming listed on a stock exchange ("Conversion Event") by maturity date.

The loan was initially recorded at fair value and measured at the present value of all future cash receipts discounted over the term of the loan, using the prevailing market rate of interest of 8%.

Upon maturity, the Conversion Event did not transpire and the loan became due on demand. Upon date of default and to September 30, 2020, the Company did not demand repayment, nor exercised their rights under the general security agreement.

In Q2 2020 the Company sold the loan to two companies with a former director in common for an aggregate discount value of CAD$100,000. Based on management's assessment of its credit risk, the Company recorded an impairment at December 31, 2019, based on the expected credit loss. The estimated present value of future cash flows associated with the asset was determined and an impairment loss was recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset was reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate and the resulting loss was recognized in the consolidated statement of loss and comprehensive loss.

		September 30, 2020		December 31, 2019
Fair value	$	73,144	$	125,000
Impairment		-		(51,856)
Foreign exchange translation		(4,844)		-
		68,300		73,144
Accrued interest at 8% per annum		1,321		1,458
	$	69,621	$	74,602
Sale of convertible debenture		69,621		
Amount at the period end		-	$	74,602

6. PREPAIDS AND DEPOSITS

As at September 30, 2020, the Company's prepaids and deposits consists of the following:

		September 30,2020		December 31, 2019
Prepaid deposits and advances - other	$	21,634	$	14,840
	$	21,634	$	14,840

Pursuant to a Data Service Agreement dated August 9, 2018, the Company paid a security deposit of $365,018. The Company terminated the Data Service Agreement in January 2019 and was not able to collect the deposit back by February 21, 2019 as per the terms of the Data Service Agreement. Based on management's assessment of its credit risk, the Company recognized an impairment allowance of $365,018 on the security deposit during the year ended December 31, 2018. During the period ended September 30, 2020, the Company collected $10,650 (2019 - $Nil) of the security deposit and recognized the recovered amount in the consolidated statement of loss and comprehensive loss.

(Expressed in US Dollars - Unaudited)

7. ADVANCE AND INVESTMENTS

Advance

On February 28, 2019, as amended on March 21, 2019, the Company entered into a Shareholders Agreement, for provision of investment loans for a software development project and incorporation of a common legal entity, in which the Company will acquire a 3.35% interest of shares. The Company may provide investment loans of up to $60,000. The investment loans are non-interest bearing and refundable to the Company from profits generated by the product after a one-year hold period. As at September 30, 2020, the Company has advanced $10,000 (December 31, 2019 - $10,000) in investment loan. The shares have not been issued to the Company as at September 30, 2020. Accordingly, the Company has recorded the investment loan as an advance.

Investments

	September 30, 2020	December 31, 2019
(1) On February 1, 2018, the Company entered into a Simple Agreement for Future Equity ("SAFE") Agreement with Fanboard Inc. ("Fanboard"), a private company, to invest in future rights to shares after Fanboard reaches a valuation cap of $1,000,000. The maximum investment shall not be higher than $60,000.	$ 45,000	$ 45,000
(2) On May 1, 2018, the Company entered into a SAFE Agreement with True Sync Media, Inc. ("True Sync"), a private company to invest in future rights to shares after True Sync reaches a valuation cap of $2,000,000 for an investment of $30,000. On December 30, 2019, True Sync issued the Company 2,065,410 series seed preferred shares on conversion of the SAFE Agreement.	-	-
	$ 45,000	$ 45,000

Pursuant to the terms of the SAFE Agreements, if there is an equity financing before the instrument expires or is terminated, the investee will automatically issue to the investors either: 1) a number of shares of standard preferred stock sold in the equity financing equal to the purchase amount divided by the price per share of the standard preferred stock, if the pre-money valuation is less than or equal to the valuation cap; or 2) a number of shares of SAFE preferred stock equal to the purchase amount divided by the SAFE Price, if the pre-money valuation is greater than the valuation cap.

If there is a liquidation event before the expiration or termination of the SAFE Agreement, the investor will at its option either: 1) receive a cash payment equal to the purchase amount or 2) automatically receive from the investee a number of shares of common stock equal to the purchase amount divided by the liquidity price, if the investor fails to select the cash option. Thereafter the SAFE Agreement will terminate.

In connection with a cash payment through a liquidity event, if there are not enough funds to pay the investors and holders of the SAFE Agreements in full, funds will be distributed pro-rata and based on the purchase price and the remaining amounts will be covered with common stock equal to the remaining unpaid purchase price divided by the liquidity event. In a dissolution event, SAFE Agreement holders will be paid out of remaining assets prior to holders of the investee's capital stock.

In accordance with IFRS 9, the Company has initially recorded these SAFE investments at cost, which approximates fair value.

(1) As of September 30, 2020 and December 31, 2019, Fanboard has not met the valuation cap thresholds. As such, no shares have been distributed to the Company.

7. ADVANCE AND INVESTMENTS (cont'd)

***Investments** (cont'd)*

(2) On December 30, 2019, True Sync issued the Company 2,065,410 series seed preferred stock on conversion of the SAFE Agreement. The investment in the equity instruments was initially recognized at fair value with subsequent changes in fair value recognized in other comprehensive income. The series seed preferred stock were issued with restrictions which require the Company to hold the equity instruments indefinitely. During 2019, management determined that their investment does not hold future value. Accordingly, the Company recognized an impairment on the investment of $30,000.

(3) On April 2, 2018, the Company signed a Revenue Participation Agreement ("RP Agreement") with Canyon Capital LLC ("Canyon Capital"), a corporation with directors in common, existing under the laws of the State of New Mexico, USA. Pursuant to the RP Agreement, the Company agreed to provide application development services and, in return, would earn a 10% royalty from the gross revenue from the project with maximum payout cap set at 10 times the final total amount of the investment, which is equal to the amount of the development costs incurred by the Company.

To date, Canyon Capital has not generated any income sufficient to commence the repayment from the iHalo project, and no repayments have been earned by the Company. The Company incurred a total of $nil (2019 - $52,858) in application development costs for this application. In December, 2019, the Company impaired an investment of $52,858, which was additional to $86,829 impaired during 2018.

8. DIGITAL CURRENCIES

As at September 30, 2020, the Company held various digital currencies with a fair value of $591 (December 31, 2019 - $270).

Digital currencies were valued using the closing USD price quoted on www.coinmarketcap.com. During the period ended September 30, 2020, the Company recorded a revaluation gain of $4 (September 2019 – a loss of $1,720) on digital currencies and realized a gain of $Nil (2019 gain - $34,374) from the trades of digital currencies.

(Expressed in US Dollars - Unaudited)

9. PROPERTY AND EQUIPMENT

		Leasehold Improvements		Furniture& Equipment		Computer Equipment		Other Assets		Right-of-Use Asset (Note 11)		Total
Cost:												
At December 31, 2018	$	9,105	$	7,784	$	55,842	$	4,362	$	-	$	77,093
Additions		-		2,524		8,390		2,431		20,268		33,613
Sales and disposal		-		(4,138)		(9,215)		(4,362)		-		(17,715)
At December 31, 2019		9,105		6,170		55,017		2,431		20,268		92,991
Sales and disposal		-		-		(3,074)		-		-		(3,074)
At September 30, 2020	$	9,105	$	6,170	$	51,943	$	2,431	$	20,268	$	89,917
Depreciation and impairment:												
At December 31, 2018	$	9,105	$	1,530	$	17,485	$	4,362	$	-	$	32,482
Amortization		-		3,263		32,510		2,431		17,095		55,299
Sales and disposal		-		(1,168)		(5,889)		(4,362)		-		(11,419)
Foreign exchange		-		-						277		277
At December 31, 2019		9,105		3,625		44,105		2,431		17,372		76,639
Amortization		-		1,369		10 815		-		2,799		14 222
Sales and disposal		-		-		(3,074)		-		-		(3,074)
Foreign exchange		-		-		-		-		97		97
At June 30, 2020	$	9,105	$	4,994	$	51,846	$	2,431	$	20,268	$	87,884
Net book value:												
At December 31, 2019	$	-	$	2,545	$	10,910	$	-	$	2,896	$	16,351
At September 30, 2020	$	-	$	1,176	$	97	$	-	$	-	$	1,273

(Expressed in US Dollars - Unaudited)

9. PROPERTY AND EQUIPMENT (cont'd)

(1) In 2018, the Company acquired title to a facility located in Nederland, Colorado. This facility was to be used as a data center for its cryptocurrency mining operations. As at September 30, 2020, the facility remained vacant and was not used in operations. In 2018, management made an assessment of the market value of the facility and recognized an impairment loss of $63,122 against its carrying value. As at September 30, 2020, the remaining carrying value of the property of $305,209 (December 31, 2019 - $305,209) was reclassified to assets held-for-sale, following management's decision to offer the facility for sale. Management continues an active program to dispose of the facility.

(2) During the year ended December 31, 2018, the Company purchased equipment to mine cryptocurrency. In 2018, management made an assessment, given changes in the business environment, to discontinue crypto-mining activities. As such, the following accounts have been reclassified to discontinued operations:

	September 30, 2020	September 30, 2019
Gain on sale of crypto-mining equipment	$ -	$ 52,435
	$ -	$ 52,435

10. TRADE PAYABLES AND ACCRUED LIABILITIES

	September 30, 2020	December 31, 2019
Trade payables	$ 169,065	$ 155,932
Accrued liabilities	4,344	30,798
	$ 173,409	$ 186,730

11. LEASE LIABILITY

The Company incurs lease payments related to its office premises.

	Office Lease
Balance, December 31, 2018	$ -
Lease liability for ROU asset (Note 3, 9 and 14(a))	20,268
Imputed interest	956
Payments	(18,182)
Balance, December 31, 2019	3,042
Imputed interest	37
Payments	(2,977)
Foreign exchange translation	(102)
Balance, September 30, 2020	$ -

12. ECONOMIC INJURY DISASTER LOAN

During the second quarter the company applied for and received $10,000 from the Small Business Association in the U.S.A under the Economic Injury Disaster Loan Program to assist with working capital needs. The loan is forgivable and bears zero interest.

(Expressed in US Dollars - Unaudited)

13. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

There were no transactions affecting share capital during the three and nine months ended September 30, 2020 and the year ended December 31, 2019.

(c) Escrow shares

17,648,600 shares issued to the principals of the Company under the RTO are subject to escrow conditions required by applicable securities laws and the CSE requirements. Pursuant to the terms of the escrow agreements, 10% of the escrowed shares were released from escrow on March 7, 2018 and 15% will be released from escrow every six months over a period of 36 months until March 7, 2021. As at September 30, 2020, 2,647,290 (December 31, 2019 – 7,941,870) shares remained in escrow.

In addition, 2,750,000 shares issued under the RTO have a restrictive resale legend and are subject to a an 18-month voluntary hold period with 10% of shares being released four, eight and twelve months from the CSE listing date, and 35% released every three months thereafter.

(d) Stock options and warrants

The Company maintains a 10% rolling share option plan (the “Plan”) that enables management to grant options to directors, officers, employees and other service providers. The Company follows the CSE policies where the number of common shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares of the Company from time to time at the date of granting of options and have a maximum of 10 years. Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options as determined by the Board of Directors.

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2018	2,184,299	CAD$ 0.13	920,000	CAD$ 0.60
Expired	(2,184,299)	CAD$ 0.13	(100,000)	CAD$ 0.60
Outstanding, December 31, 2019	-	CAD$ -	820,000	CAD$ 0.50
Expired			(100,000)	CAD$ 0.60
Outstanding, September 30, 2020	-	CAD$ -	720,000	CAD$ 0.49
Number currently exercisable	-	CAD$ -	720,000	CAD$ 0.49

(Expressed in US Dollars - Unaudited)

13. SHARE CAPITAL (cont'd)

(d) Stock options and warrants (cont'd)

As at September 30, 2020, the following were outstanding:

	Expiry Date	Number of Shares	Weighted Average Exercise Price	Weighted Average Period
Options	March 12, 2023	620,000	CAD $ 0.47	2.45 years
	September 12, 2021	100,000	CAD$ 0.60	0.95 years
Total options:		720,000	CAD$ 0.49	2.19 years

There were no stock options or share purchase warrants granted during the three and nine months ended September 30, 2020.

On April 30, 2018, the Company issued three blocks of 100,000 stock options, for a total of 300,000, incentive stock options to an officer of the Company for the purchase of up to 300,000 common shares of the Company at an exercise price of CAD $0.60 per share. Each block of stock options are subject to vesting provisions and expire between September 21, 2019 and 2021. On September 21, 2019, the first block of 100,000 stock options expired unexercised.

During the nine months ended September 30, 2020, the Company recorded share-based compensation expense of $3,472 (2019 - $7,490) to recognize the fair value of the vested portions of these options.

(e) Reserve

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

	Stock options	Finders warrants	Total
Balance, December 31, 2018	$ 211,022	$ 628,150	$ 839,172
Share-based compensation (Note 12(d))	5,247	–	5,247
Balance, June 30, 2019	216,269	628,150	844,419
Share-based compensation (Note 12(d))	4,488	–	4,488
Balance, December 31, 2019	220,757	628,150	848,907
Share-based compensation (Note 12(d))	3,472	–	3,472
Balance, September 30, 2020	$224,229	$ 628,150	$852,379

(Expressed in US Dollars - Unaudited)

14. RELATED PARTY TRANSACTIONS

Key management personnel are persons responsible for planning, directing and controlling activities of an entity, and include executive and non-executive directors and officers.

During the nine months ended September 30, 2020 and 2019, the remuneration management fees to key personnel were as follows:

September 30, 2020		2020		2019
Chief Executive Officer[a] (CEO)	$	81,941	$	85,460
Chief Operating Officer[b] (COO)		68,772		75,515
Former Chief Technology Officer[c] (CTO)		–		70,000
President[d]		–		16,477
Total	$	150,713	$	247,452

(a) During the nine months ended September 30, 2020, the Company paid or accrued salary and housing benefit of $81,941 (2019 - $84,460) to the CEO and director of the Company.

During the nine months ended September 30, 2020, ChargaCard entered into a short term loan agreement with the CEO for $21,284 (December 31, 2019 - $8,800) in cash and $954 (December 31, 2019 - $954) in digital currencies. The loans are non-interest bearing and have one year repayment terms. As at September 30, 2020 a short term loan $954 in digital currencies and $21,284 in cash from the CEO are outstanding.

As at September 30, 2020, $147 486 (December 31, 2019 - $64,574) was due to the CEO for salaries, digital currency loan and short term loan in cash.

(b) On December 4, 2017, ChargaCard entered into an Operations Management and Product Development Services contract with the COO and director of the Company for provision of management services in exchange for a monthly fee of $7,500. The contract was for a one year term with an extension for renewal for an additional year at the end of each year of the contract.

During the nine months ended September 30, 2020, the Company paid or accrued aggregate fees of $67,610 (2019 -$75,515) for management services pursuant to the above consulting agreements.

As at September 30, 2020, $101,418 (December 31, 2019 - $37,750) in management fees was due to the COO.

(c) During the nine months ended September 30, 2020, the Company paid or accrued salary of $Nil (2019 - $30,000) to the former Chief Technology Officer of ChargaCard. The CTO Employment Agreement was terminated effective August 1, 2019.

As at September 30, 2020, $0 (December 31, 2019 - $20,000) was due to the former CTO for two months salaries.

(d) During the nine months ended September 30, 2020, the Company paid management fees of $Nil (2019 - $ 13,977) to Katmando Holdings Inc. (“Katmando”), a company owned by Keith Turner, President of the Company. Management fees were paid to Katmando pursuant to a consulting agreement dated April 30, 2018, which was terminated effective January 31, 2019, and a new agreement dated February 1, 2019 for provision of commission-based business development consulting services (see Note 14).
As at September 30, 2020, $Nil (December 31, 2019 - $1,625) was due to Katmando.

14. RELATED PARTY TRANSACTIONS (cont'd)

Other related party transactions and balances

(e) On March 1, 2018, the Company entered into an administrative agreement with Varshney Capital Corp. ("VCC"), a company controlled by a common director to provide administrative services to the Company for a period of three years in exchange for a monthly fee of CAD$10,000 plus applicable taxes. At the end of the service term, the terms of the agreement are automatically renewed on an annual basis until either party provides notice of termination. This agreement was terminated effective March 1, 2020.

Pursuant to this agreement for the nine months ended September 30, 2020, the Company paid or accrued $14,886 (2019 -$44,994) for administrative fees to VCC.

As at September 30, 2020, $34,144 (December 31, 2019 - $40,422) in administrative fees were due to VCC. This amount is included in trade payables.

(f) On September 10, 2019, the Company entered into a promissory note agreement for a short-term loan in the amount of $25,000 (2018 - $Nil) from a former director of the Company, Praveen Varshney. The loan was secured personally by the CEO. The loan bears an annual interest of 12% and was repayable on November 11, 2019. In June 2020 the Company repaid the loan and accrued interest.

(g) During the nine months ended September 2020, the Company recognized $3,472 (2019 - $5,247) in share-based compensation for the vested portion of the stock options granted to the President of the Company. On April 1, 2018, the Company issued three blocks of 100,000 stock options, for a total of 300,000, incentive stock options to the President of the Company for the purchase of up to 300,000 common shares of the Company at an exercise price of CAD $0.60 per share. Each block of stock options are subject to vesting provisions and expires between September 21, 2019 and 2021. 100,000 stock options expired unexercised on September 21, 2019.

15. COMMITMENTS

(a) On March 1, 2018, the Company entered into a sublease agreement with a company for a portion of the office premises located in Vancouver, BC for a period of 2 years and 9 months, expiring November 30, 2020, in exchange for CAD$2,050 per month plus applicable taxes. This agreement was terminated effective March 1, 2020.

(b) On July 15, 2019, Intellabridge entered into a new short-term sublease agreement for office rental space premises located in Kyiv, Ukraine, expiring on September 30, 2019 in exchange for a monthly rent of US $5,000 exclusive of sales taxes. Effective October 1, 2019, the Company reduced its office rental space in Kyiv and renewed is sublease for an additional five-month period expiring February 28, 2020. Under the terms of the new sublease agreement, the Company was paying a monthly office rent of US $2,500 plus applicable sales taxes.

(Expressed in US Dollars - Unaudited)

15. COMMITMENTS (cont'd)

(c) On February 1, 2019, the Company entered into a Services Agreement with Katmando. The agreement can be terminated within 30 days notice. Pursuant to the agreement, Katmando will provide consulting services and, as consideration, the Company will, and was to, pay the following –

Term	Commitment
February 2019, March 2019, April 2019	A commission (the "Advance Commission") of CAD $3,000/month (paid, CAD$9,000).
February 1, 2019 – July 31, 2019	A commission (the "Commission") in the amount of 4% of the Company's Revenue(1). If the Commission is less than or equal to the Advance Commission, then no further payment shall be made by the Company. If the commission is greater than the Advance Commission, the Company will pay the additional difference.
August 1, 2019 – January 31, 2020	A commission in the amount of 3% of the Company's Revenue.
February 1, 2010 – July 31, 2020	A commission in the amount of 2% of the Company's Revenue.
August 1, 2020 – January 31, 2021	A commission in the amount of 1% of the Company's Revenue.

(1) For purposes of this agreement "Revenue" is defined as revenue which the Company has received under the contracts in development, which were negotiated by Katmando. In the event that the contract was negotiated with a member of the board of directors or party related to any such member, Katmando's commission shall be based on 50% of the Revenue.

16. SEGMENTED INFORMATION

The Company operates in two industry segments, being development and IT services, utilizing its blockchain technologies, and telecommunication data services.

September 30	2020	2019
Sales for the period		
Transaction processing	$ -	$ 305
Development and IT services	103,479	500,000
	$ 103,479	$ 500,305

During the period ended September 30, 2020, there were three customers that made up 100% of total revenue.

(Expressed in US Dollars - Unaudited)

16. SEGMENTED INFORMATION (cont'd)

The Company operates in the following geographic areas:

	September 30, 2020	December 31, 2019
Long-term advance and investments – USA	$ 55,000	$ 55,000
Property and equipment		
Canada	-	2,896
USA	97	1,545
Ukraine	1,176	11,910
	$ 1,273	$ 16,351

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company can be exposed, in varying degrees, to a variety of financial related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts, which is mainly held with reputable US and Canadian banks. Therefore, credit risk on the Company's cash deposits is assessed as relatively low.

The Company's secondary exposure to credit risk is on its receivables, which consists mainly of trade receivables and refundable government sales taxes. Credit risk related to these receivables is assessed as low.

The Company was exposed to credit risk on its digital currencies that were held on different crypto exchange platforms. Management chooses reliable and legitimate platforms for its crypto transaction to minimize that risk. As at September 30, 2020, the Company retained a minimum balance of digital currencies for testing and development purposes.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring cash requirements to ensure that it is able to meet its short term and long term obligations and operational plans.

As at September 30, 2020, the Company had a working capital of ($90,511) (December 31, 2019 - $84,102).

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) *Interest rate risk*
Interest rate risk is the risk that the value of a financial instrument will change due to a change in the level of interest rates. The Company is exposed to interest rate risk as its bank account earns interest income at variable rates and is subject to the movement in interest rates. Management considers the interest rate to be minimal.

(b) *Foreign currency risk*
The Company and its subsidiaries operate internationally, and during the year were exposed to foreign exchange risk arising from currency fluctuations, primarily with respect to the USD/CAD dollar rate.

Management regularly monitors exposure to foreign exchange risks, but does not have a current hedging policy in place.

(c) *Price risk*
The Company is exposed to digital currencies price risk due to the volatility of the industry.

18. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns and benefits to shareholders. The capital structure of the Company consists of equity comprised of issued share capital and any debt that it may issue.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

There were no changes in the Company's approach to capital management during the year.

19. SUBSEQUENT EVENTS

Subsequent to the quarter end:

a. The Company stopped working on the Hygge Power project which was connected with development of a mobile application for energy consumers.
b. The Company entered into a partnership agreement with Wix
c. The Company started exploring how to leverage its blockchain technologies..
d. The Company started exploring and "test the waters" with a Regulation A offering to raise up to $3 million USD.

20. COVID-19 PANDEMIC

On March 11, 2020, COVID-19 was declared a global pandemic by the World Health Organization and has had extraordinary and rapid negative impacts on global societies, workplaces, economies and health systems. The impact of COVID-19 on Intellabridge's business in the near and mid-term due to the disruption of business activities throughout the world remains uncertain.

The Company's business relies, to a certain extent, on free movement of goods, services, and capital around the world, which has been significantly restricted as a result of the COVID-19 pandemic. Given the ongoing and dynamic nature of the circumstances surrounding COVID-19, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the global economy and the Company's business in particular or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict. Additional actions which may be taken to contain COVID-19 and the timing of the re-opening of the economy in each country within which we operate will affect the recovery.

Such further developments could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. With the overall slowdown in the economy as a result of the COVID-19 pandemic, the Company experienced delays in on-boarding certain clients and some of the relationships were put on hold. Clients within the sales pipeline and in negotiations were also significantly impacted and postponed contracts or delayed negotiations to future periods. Management has accordingly adjusted financial projections and is exploring options for all of the Company's products, partnerships and investments.

The safety of employees and customers continues to be a top priority. To mitigate the impact of COVID-19 on the Company and to align the expenditures with the reduction in demand and revenues, Intellabridge has restructured the team to provide remote services as needed based on client demand. Additionally, the Company applied for government support programs and qualified for $10,000 under the Economic Injury Disaster Loans Program in the second quarter of 2020 which helped offset some negative earnings impact of COVID-19. The Company reduced payroll expenditure and eliminated all office expenses. The Company continues to monitor the recoverability of trade receivables.

The ultimate impact of COVID-19, the timing and pace of economic recovery, and resumption of demand may not be fully known for an extended period of time. COVID-19 has also increased the complexity of estimates and assumptions consistently used to prepare the interim condensed consolidated financial statements, as were further disclosed in the Company's Consolidated Financial Statements for the year ended December 31, 2019.