NETCOINS HOLDINGS INC.
488 - 1090 West Georgia Street
Vancouver, BC V6E 3V7
Phone: (604) 687-7130 / Fax: (604) 608-9110

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Netcoins Holdings Inc. (the "**Corporation**") will be held at Suite 1500 – 1055 West Georgia Street, Vancouver, BC V6E 4N7, by in person / teleconference call meeting, on Friday, July 23, 2021, at 10:00 a.m. Pacific Time (the "**Meeting**"). **In light of the ongoing public health concern related to COVID-19 and in order to comply with measures imposed by the federal and provincial governments, the Corporation is encouraging Shareholders and others not to attend the Meeting in person.**

The Corporation is offering the Shareholders the option to listen and participate (but not vote) at the Meeting in real time by conference call at:

Canada Toll Free: 1-855-244-8677

Canada Toll: 1-416-915-6530

US Toll Free: 1-855-282-6330

US Toll: 1-415-655-0002

Attendee Access Code: 95400309

The Meeting is to be held for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2020 and December 31, 2019, together with the auditors' report thereon;

2. to set the number of directors of the Corporation for the ensuing year at five (5) persons;

3. to elect directors of the Corporation to serve from the close of the Meeting until the next annual meeting of the shareholders, or until such time as their successors are duly elected or appointed in accordance with the Corporation's constating documents;

4. to appoint Manning Elliott LLP, Chartered Professional Accountants, as the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration to be paid to the auditor;

5. to consider and, if thought fit, to pass an ordinary resolution to approve the Corporation's 10% "rolling" stock option plan, as more particularly described in the accompanying Information Circular;

6. to consider and, if thought fit, to pass an ordinary resolution to approve the Corporations fixed restricted share unit plan, as more particularly described in the accompanying Information Circular;

7. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution approving the change of business of the Corporation from a junior oil and gas company to an investment company; and

8. to consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or at any adjournment thereof.

NOTE OF CAUTION Concerning COVID-19 Outbreak

At the date of this Notice and the accompanying Information Circular, it is the intention of the Corporation to hold the Meeting at the location stated above in this Notice. We are continuously monitoring development of the COVID-19 outbreak. In light of the rapidly evolving public health guidelines related to COVID-19, we ask Shareholders to consider voting their shares by proxy and not attend the Meeting in person. Those Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at: https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html. We ask that Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All Shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Information Circular accompanying this Notice.

The Corporation reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation's profile on SEDAR. We strongly recommend you check the Corporation's SEDAR profile prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Corporation will not prepare or mail amended Meeting Proxy Materials.

THE BOARD OF DIRECTORS AND MANAGEMENT REQUEST ALL SHAREHOLDERS VOTE BY PROXY AND NOT ATTEND THE MEETING IN PERSON.

In order to be valid and acted upon at the Meeting, proxies must be received no later than 10:00 a.m. (Pacific Time) on Wednesday, July 21, 2021 or not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for holding the Meeting or any postponement(s) or adjournment(s) thereof. Failure to so deposit a form of proxy will result in its invalidation. Notwithstanding the foregoing, the chair of the Meeting has the discretion to accept proxies received after such deadline.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

The audited consolidated financial statements for the years ended December 31, 2020 and December 31, 2019, the reports of the auditor and the related management discussion and analyses will be made available at the Meeting and are available on www.sedar.com.

Registered Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered Shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are a non-registered Shareholder.

Dated at Vancouver, British Columbia this 21st day of June, 2021.

BY ORDER OF THE BOARD

"Michael Vogel"

Michael Vogel
Chief Executive Officer

NETCOINS HOLDINGS INC.
488 - 1090 West Georgia Street
Vancouver, BC V6E 3V7
Phone: (604) 687-7130 / Fax: (604) 608-9110

INFORMATION CIRCULAR

with information as at June 15, 2021, *unless stated otherwise*

INTRODUCTION

This Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Netcoins Holdings Inc. (the "Corporation") for use at the annual general meeting (the "Meeting") of its shareholders to be held on July 23, 2021 at the time and place and for the purposes set forth in the accompanying Notice of Meeting of shareholders (the "Notice").

In this Circular, references to the "**Corporation**", "**Netcoins**" "**we**" and "**our**" refer to Netcoins Holdings Inc. "**Common Shares**" or "**Shares"** means common shares without par value in the capital of the Corporation. "**Beneficial Shareholders**" means shareholders who do not hold Common Shares in their own name and "**intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. "**Registered Shareholder**" means the person whose name appears on the central securities register maintained by or on behalf of the Corporation and who holds Common Shares in his or her own name.

The date of approval of this Circular by the Board of Directors of the Corporation (the "**Board**") and of signature by the Chief Executive Office on behalf of the Board is June 21, 2021. Unless otherwise stated, all dollar amounts stated herein are in Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this Circular constitute "forward-looking statements". All statements, other than statements of historical fact, included in this Circular that address future activities, events, developments or financial performance, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as "may", "should", "will", "could", "expect", "intend", "plan", "estimate", "anticipate", "believe", "future" or "continue" or the negatives thereof or similar variations. These forward-looking statements are based on certain assumptions and analyses made by the Corporation and its management in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. This Circular may also contain forward-looking statements specifically relating to the Change of Business and the Investments of the Corporation, as each such term is defined in the Circular, which may assume the success of Investments, profitability, and ability to complete the business plans and objectives of both the Corporation and the investee companies, Shareholders are cautioned not to put undue reliance on such forward-looking statements, which reflect the analysis of management only as of the date of this Circular and are not a guarantee of performance. Such forward-looking statements are subject to a number of uncertainties, assumptions and other factors, many of which are outside the control of the Corporation that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above.

The Corporation expressly does not undertake any obligation, and expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors and officers of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "**Proxy**" or "**form of proxy**") are officers and directors of the Corporation. **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,

(b) any amendment to or variation of any matter identified therein, and

(c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so using one of the following methods:

(a) complete, date and sign the Proxy and return it to the Corporation's transfer agent, Odyssey Trust Corporation ("**Odyssey**"), by 10:00 a.m. Wednesday, July 21, 2021 via fax at 1-800-517-4553, or email a copy of the fully signed proxy to Odyssey at proxy@odysseytrust.com; or

(b) use the internet through the website of the Corporation's transfer agent at www.odysseytrust.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In each of the above cases Registered Shareholders must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof.

Beneficial Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of intermediaries. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Corporation (which acts as depositary for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing process and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Corporation* the Corporation distributes copies of the Notice of Meeting, this Circular and the Proxy (collectively, the "**Meeting materials**") to the depository and intermediaries for onward distribution to Beneficial Shareholders. The Corporation does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of Common Shares. If you are a Beneficial Shareholder, and the Corporation or its agent sent these materials to you directly, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the intermediary holding securities on your behalf. Management of the Corporation does not intend to pay for intermediaries to forward the Meeting materials to OBOs, so OBOs will not receive the Meeting materials unless their intermediary assumes the cost of delivery.

If you are a Beneficial Shareholder:

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of the proxy provided by the Corporation. The VIF will name the same persons as are named on the Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any Shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Common Shares.**

Notice to Shareholders in the United States

The solicitation of proxies is not subject to the requirements of Section 14(a) of the Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Corporation's shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Corporation has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Corporation's Shareholders who are resident in, or citizens of, the United States may not be described fully in this Circular.

The enforcement by the Corporation's Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Corporation are located outside the United States.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

(a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by emailing the proxy bearing a later date to Odyssey at email address proxy@odysseytrust.com at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, or the appointment of an auditor, and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed June 15, 2021 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record ("**Shareholders**") at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting. Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares without par value. The Common Shares are the only issued and outstanding voting securities of the Corporation and the holders thereof being entitled to one vote for each Common Share held. As of the Record Date a total of 4,856,589 Common Shares were issued and outstanding.

Documents Incorporated by Reference

The following documents filed with the securities commissions or similar regulatory authority, pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), in the Provinces of British Columbia, Alberta and Ontario are specifically incorporated by reference into, and form an integral part of, this Circular:

- the audited consolidated financial statements for the fiscal years of the Corporation ended December 31, 2020 and December 31, 2019;
- management discussion and analysis for the years ended December 31, 2020 and December 31, 2019.

Copies of documents incorporated herein by reference may be obtained by a Shareholder upon request without charge from the Corporate Secretary of the Corporation at the address above or by telephone (604) 657-7004. These documents are also available for review under the Corporation's SEDAR profile at www.sedar.com.

On October 15, 2019, the Corporation consolidated its issued and outstanding Common Shares on the basis of twenty-five (25) pre-consolidation Common Shares for one (1) post-consolidation Common Share then issued and outstanding. Accordingly, the outstanding 121,414,610 Common Shares on October 15, 2019 were consolidated to 4,856,584 outstanding Common Shares.

To the knowledge of the directors or executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the outstanding Common Shares of the Corporation.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Change of Business

In 2020, following a thorough evaluation of the Corporation's existing resources and a review of its strategic options, the Corporation made a decision to refocus its business operations from a technology company to an investment company (the "**Change of Business**"). Shareholders are being asked to approve the change of business of the Corporation as part of the approvals required under the policies of the CSE to qualify for continued listing with a new business (the "**Change of Business Resolution**"). The approval of the Change of Business is not otherwise required under corporate law or applicable securities laws.

The text of the Change of Business Resolution to be voted on at the Meeting by the shareholders is set forth below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Change of Business of Corporation from a "junior oil and gas company" to an "investment company", as those terms are used in the policies of the Canadian Securities Exchange (the "**CSE**"), substantially as described in the Corporation's information circular (the "**Circular**") dated March 29, 2021, be and is hereby ratified, confirmed and approved.

2. the Corporation's investment strategy and policy may be amended in order to satisfy the requirements or requests of the CSE without requiring further approval of the shareholders of the Corporation, and thereafter the Investment Policy (as defined in the Circular) may be amended upon approval of the Board.

3. any director or officer of the Corporation be and he or she is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

The Board recommends that the Shareholders vote in favour of the Change of Business Resolution.

In the absence of instructions to the contrary, the persons named in the enclosed form of proxy intend to vote the Common Shares represented thereby in favour of passing this resolution.

The Corporation's management believes that it meets the listing requirements of the CSE as an "investment company." The CSE policies set out that an investment company must have an appropriate balance between income and activity depending on the nature of its investments. A holding company that is not active in the management of its investee companies should own majority interests or have effective control in businesses that can generate returns that will flow to the shareholders through distributions, or have prospects for growth through the reinvestment of earnings. Investment companies must have minimum assets of:

(1) $2 million, at least 50% of which has been allocated to at least two specific investments; or

(2) $4 million; and

(3) A track record of acquiring and divesting interests in arm's length enterprises in a manner that can be characterized as conducting an active business.

The Board of Directors takes the position that the Corporation satisfies all criteria to be categorized as an "investment entity" as defined under IFRS.[1] The Corporation plans to raise capital from multiple arm's length parties for the purpose of providing investors with the ability to pool funds to earn returns on the capital invested through the appreciation of the Corporation's share price or through investment income from its Investments (as defined in "*Investment Policy*"; also see below "*Equity Financing*"). Second, Netcoins has multiple Investments, as detailed in its listing statement, and it intends to invest funds solely for returns from capital appreciation, investment income or both (see below "*Material Assets and Investments*" and see "*Investment Policy*"). The Corporation intends to evaluate the performance of its Investments on a fair value basis as it continues to invest in further Investments, which will include both private investment and the marketable securities of public companies.

The Corporation anticipates investing in opportunities, as such opportunities arise, and make investments in a wide variety of sectors which the Investment Committee identifies from time to time as offering particular value. For a full description of the Corporation's current holdings, please see "*Material Assets and Investments*". For a full description of the Corporation's investment stragegy, please refer to the Corporation's Investment Policy under the subheading "*Investment Policy*".

Equity Financing

In connection with the change of business of Netcoins, Netcoins will be undertaking a private placement of up to $1,500,000 (the "**Concurrent Financing**") through the sale of up to 13,636,364 units of Netcoins (each a "**Concurrent Financing Unit**") at a price of $0.11 per Concurrent Financing Unit, with each Concurrent Financing Unit consisting of one Netcoins Share and one common share purchase warrant (a "**Concurrent Financing Warrant**"). Each Concurrent Financing Warrant is exercisable at a price of $0.115 per Netcoins Share for a period of five years from the date of issuance. The proceeds from the Concurrent Financing will be used to satisfy continued listing requirements and for investments that the Corporation will be making in the future.

Material Assets and Investments

The following chart is a summary of the Corporation's material assets and investments, herein referred to as the "**Investments**" and each an "**Investment**".

[1] See IFRS 10 – *Consolidated Financial Statements* and see IRFS 9 – *Financial Instruments*.

Asset/Corporation Name	Description of Investment	Type of Investment, Classification and Jurisdiction
Freeman Gold Corp.	Netcoins holds 1,000,000 common shares and 1,000,000 common share purchase warrants in Freeman Gold Corp., an early stage mineral exploration company operating in Lemhi County, Idaho, which is listed on the CSE as well as the Frankfurt Stock Exchange.	*Type of Investment*: Common Shares and Warrants *Jurisdiction*: Operations in the United States; Incorporation in British Columbia *Classification*: Mineral Exploration
HAVN Life Sciences Inc.	Netcoins holds 2,400,000 common shares and 2,400,000 common share purchase warrants in HAVN Life Sciences Inc., a biotechnology company listed on the CSE which is focused on standardized, quality-controlled extraction of psychoactive compounds from plants and fungi, as well as the development of natural health care products from non-regulated compounds.	*Type of Investment*: Common Shares and Warrants *Jurisdiction*: Operations in Canada; Incorporation in British Columbia *Classification*: Psychedelics
Newt Corp.	Newt Corp. is a technology company aiming to provide B2B payment solutions for servicing the unbanked through a cloud-based payment platform providing end to end solutions for prepayment transactions. Netcoins advanced $100,000 as a loan with interest at a rate of 15%, which was renegotiated into a convertible note convertible into shares of Newt Corp. at $0.20 per common share. Subsequently, the Corporation converted a portion of the loan into common shares, and holds 575,000 common shares in the capital of Newt Corp.	*Type of Investment*: Convertible Loan *Jurisdiction*: Operations in Mexico; incorporated in Ontario *Classification*: Technology
Alpha Esports Tech Inc.	Netcoins holds 1,142,858 common shares and 571,429 common share warrants in Alpha Esports Tech Inc. Alpha Esports Tech Inc. is a technology company that focuses on emerging markets in Esports, mobile gaming, ecommerce, blockchain and high growth opportunities.	*Type of Investment:* Common Shares and Warrants *Jurisdiction:* Operations in Canada; incorporation in British Columbia. *Classification:* Technology
Karam Minerals Inc.	Netcoins holds 500,000 common shares in Karam Minerals Inc. Karam Minerals Inc. is an early stage mineral exploration company operating in the Black Duck Property in British Columbia, Canada, which is listed on the CSE.	*Type of Investment: Type of Investment: Common Shares* *Jurisdiction: Operations in British Columbia incorporation in British Columbia*

Asset/Corporation Name	Description of Investment	Type of Investment, Classification and Jurisdiction
		Classification: Resource Exploration
Lannister Mining Corp.	Netcoins holds 1,000,000 common shares in Lannister Mining Corp. Lannister Mining Corp is a mineral exploration company operating in Montana, USA.	*Type of Investment: Investment in Common Shares* *Jurisdiction: Operations in Montana, USA, incorporation in British Columbia.* *Classification: Resource Exploration*

The Corporation has agreements with Karam Minerals Inc., Alpha Esports and Lannister Mining Corp. pursuant to which the Corporation is able to appoint a member of the board of directors of Karam Minerals Inc., Alpha Esports and Lannister Mining Corp., in connection with its investment.

Investment Policy

The Corporation has adopted the following investment policy to govern its investment activities and strategy (the "**Investment Policy**"):

Overview of Business

Netcoins's business objective is to identify promising companies with excellent projects, innovative technologies or both, using management's extensive experience in deal sourcing and capital combination to maximize returns for the Corporation's shareholders. The Corporation will focus on investing in private and public companies whose businesses across a wide range of sectors and industry areas (the "**Investments**").

Although the Corporation will not limit its concentration of investment to any specific geographic region, the Corporation anticipates that the majority of its investments will be in North America, and at present the entirety of their investment portfolio is entities that are operating within North America.

Investment Objectives

The principal investment objectives of the Corporation will be as follows:

- to seek high return investment opportunities though direct investment in property and indirect investment via equity shareholdings;
- to identify early stage investment opportunities with attractive risk to reward ratios through industry contacts of the Board of Directors, its advisory board, and the Investment Committee;
- to preserve its capital and limit the downside risk of its Investments;
- to achieve a reasonable rate of capital appreciation;
- to minimize the risk associated with investments in securities; and
- to seek liquidity in its Investments.

The Corporation's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of senior management and approval by the Board of Directors. The Corporation does not anticipate the declaration of dividends to shareholders during its initial stages and plans to re-invest the profits of its Investments towards the further growth and development of the Corporation's investment portfolio.

Investment Strategy

In pursuit of returns and to achieve the investment objectives as stated above, while mitigating risk, the Corporation, when appropriate, shall employ the following disciplines:

- investments shall focus on the companies in the development stage. However, investments may also be made in intermediate stage pre-IPO companies and those companies with a listed market for their securities, where appropriate.
- the Corporation will obtain detailed knowledge of the relevant business the investment shall be made in, as well as the investee company.
- the Corporation will work closely with the investee company's management and Board of Directors, and in some cases assist in sourcing experienced and qualified persons to add to the board of directors and/or management of the investee companies.
- the Corporation will maintain a flexible position with respect to the form of investment taken.
- the Corporation may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments.
- investments will be made in private and public companies.
- investments may include:
    - acquisition, development and licensing of intellectual property interests with an eye to retaining a carried interest, either through royalties, a carried joint venture percentage or equity holdings in the purchaser of such property interests;
    - capital investment in private technology companies, and assistance in moving them to a merger with a larger company or to the public stage through initial public offering, reverse takeover, or as part of a qualifying transaction for a capital pool company;
    - the formation of special purpose public shells; and
    - where appropriate, acting as a third party finder of opportunities in target or other companies, in exchange for a fee.
- The Corporation will have flexibility on the return sought, while seeking to recapture its capital (on a pre-tax basis) within eighteen months of the initial investment.
- The Corporation will seek to maintain the ability to actively review and revisit all of its investments on an ongoing basis.
- From time to time, the Corporation may insist on board or management representation on target companies.
- The Corporation will watch for liquidity of its investments and seek to realize value from same in a prudent and orderly fashion.
- The Corporation will take holdings in companies within the framework of the above guidelines, and which from time to time may result in the Corporation holding a control position in a target

company.

- The Corporation will utilize the services of independent technology organizations, advisors and consultants to gain additional information on target investments where appropriate.
- To the extent permissible by law, the Corporation will obtain contractual rights of access to the books and records of the investee companies.

Notwithstanding the foregoing, from time to time, the Board of Directors may authorize such investments outside of these disciplines as it sees fit for the benefit of the Corporation and its shareholders.

Composition of Investment Portfolio

The nature and timing of the Corporation's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Corporation.

As noted above, subject to the availability of capital, the Corporation intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

Investment Committee

The Corporation will establish an investment committee (the "**Investment Committee**") of at least one member of its Board of Directors and management and one independent consultant to monitor its investment portfolio on an ongoing basis and to review the status of each investment at least once a month or on an as needed basis. Nominees for the investment committee shall be recommended by the Board.

The members of the Investment Committee shall be appointed annually by the Board of Directors at the first directors' meeting subsequent to the annual meeting of shareholders or on such other date as determined by the Board (see the below heading "*Current Investment Committee*" for biographies of Netcoins's current Investment Committee).

Members of the Investment Committee may be removed or replaced by the Board. Officers of the Corporation may be members of the Investment Committee. Each member of the Investment Committee shall be financially literate.

Investment Evaluation Process

The directors, officers and management of the Corporation will work jointly and severally to uncover appropriate investment opportunities. However, the Corporation's Investment Committee will monitor the Corporation's investment portfolio on an ongoing basis and will review the status of its investments.

Prospective investments will be first presented to the Investment Committee. The Investment Committee will make an assessment of (a) whether the proposal is consistent with the Corporation's Investment Policy, (b) whether the proposal fits with the investment and corporate strategy of the Corporation, (c) the merits of the proposed investment; and (d) whether the investment has the potential to create value of the Corporation's shareholders. If the proposed investment is approved in principle by the Investment Committee, the Corporation will then conduct a preliminary due diligence investigation and, based on that investigation, the Investment Committee will decide whether to undertake more robust due diligence, move forward with the proposed investment or abandon the proposed investment. The Investment Committee may engage the participation of outside professional consultants to assist in its decision making.

All prospective investments will be submitted by the Investment Committee to the Board of Directors for final approval. The Board of Directors may delegate the management and oversight of any investment to the Investment Committee or certain members of the Investment Committee.

Financial Reporting

As an "investment entity", Netcoins qualifies for the exemption to treat its Investments at their fair value through profit and loss (see above "*General Development of the Business – Transition to an Investment Corporation*"). The Corporation will use fair value as the primary measurement attribute to evaluate its investment portfolio. Fair value will be used internally by management, the board of directors and the Investment Committee. It will then be communicated to the Corporation's investors through financial disclosure. In addition, the Corporation will disclose the judgments and assumptions it has made in determining the fair value treatment of its Investments in its financial statements.

Conflicts of Interest

The Corporation will adopt a system for discovering conflicts of interest and maintaining the independence of the Investment Committee in the presence of a potential conflict.

Prior to making any commitment to an investment, the Corporation shall adopt procedures for checking for potential conflicts of interest, which shall include but not be limited to a circulation of the potential target company and its affiliates to the Corporation's principal management.

All members of the Board of Directors and Investment Committee shall be obligated to disclose any interest in the potential investment. In the event a conflict is detected, the target company shall be notified of the potential conflict in writing. The members of the Board of Directors and its advisors shall be responsible for the detection of a potential conflict.

Where a conflict is determined to exist either within the Board of Directors or the Investment Committee, the member of the Board having a disclosable interest, shall abstain from making further decisions or recommendations concerning such investment. In the event of a conflict within the Investment Committee, the member of the Investment Committee affected shall be temporarily replaced with an alternate member for the purpose of evaluating the potential investment. In the event of a conflict within the Board of Directors, the director affected shall be required to provide full disclosure of their interest in the potential investment and shall abstain from all voting in respect of same.

The Corporation and its affiliates, directors, officers, members of the Investment Committee (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Corporation. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including companies in which the Corporation may invest. The Parties may also engage in transactions with the Corporation where any one or more of the Parties is acting in their capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar to those which would apply in a like transaction between parties not connected with the Parties or any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length.

Exit Strategies

As previously disclosed, the Corporation's business purpose is to invest funds solely for returns from capital appreciation and investment income. The Corporation's current portfolio and prospective portfolio will primarily consist of the following: investments in the marketable securities of publicly traded companies, investments in equity of private companies and secured debt facilities for growth stage companies.

The Corporation's general exit strategies are as follows:

Investments in Publicly Traded Companies

- The Corporation will to continue to evaluate opportunities to invest in other publicly traded companies in order to diversify and expand its current investment portfolio.
- Marketable securities, by their virtue, will be traded on a public exchange such as the CSE, TSX Venture Exchange, or the TSX, whereby the Corporation will have the ability to reduce exposure in and/or liquidate an Investment at the discretion of the Investment Committee.

Investments in Private Companies

- The Corporation may use the following exit strategies when a private company's business achieves value appreciation and additional transactions such as further funding (through preferential liquidity arrangement(s)), IPOs or mergers arise.

Current Investment Committee

The Investment Committee shall be comprised of the following individuals:

Ken Cotiamco, Carson Seabolt and Mario Vetro.

Business Objectives and Milestones Over Next 12 Months

Over the next 12-month period the Corporation will continue to monitor its current investment portfolio and evaluate whether the Corporation's Investments should continue to be held in whole or in part or be divested of. The Corporation's key objective over the next year is to grow its current investment portfolio by adding investments that (a) are accretive to the existing investment portfolio; (b) provide potential for growth or hyper-growth opportunities; and (c) are consistent with the criteria and objectives set out in the Issuers Investment Policy. To review a copy of the Issuers Investment Policy, please refer to the subheading "*Investment Policy*".

In order to meet the Corporation's key objective, management will need to source and identify investment opportunities to present to the Investment Committee. Management intends to devote a significant amount of time over the next year in working to identify investments for review by the Investment Committee. In order to grow the Corporation's investment portfolio, the Corporation will need additional investment capital. While the Corporation will initially have approximately $450,000 in cash available to acquire investments, it is expected that more capital will be needed throughout the year to continue to acquire new investments. The Corporation will obtain such capital either from the divestiture of existing Investments or from the sale of its own securities. There can be no assurance that the Corporation will be successful in raising additional capital. Please see "*Risk Factors*".

The Corporation's primary business objectives are to assist its three portfolio companies achieve their business plans outlined below:

Corporate financing, branding and marketing, capital markets and investor awareness.

Funds Available

As of the date hereof, Netcoins has a working capital position of approximately $491,192 including available cash of approximately $649,825.

Principal Purposes

The available funds will be used to fund, in order of priority, the Corporation's estimated expenditures during the next 12 months of operations, which are budgeted for as follows:

$50,000 audits, tax, legal and compliance; $50,000 administrative and office expenditures; $200,000 marketing and promotions; $200,000 unallocated working capital for a total of $500,000 available funds.

Market for Securities

The Shares are presently listed on the CSE under the stock symbol "NETC".

Prior Sales

Other than the Concurrent Financing, Netcoins has not sold any securities within the 12 months before the date of this Circular.

Stock Exchange Price

The following table sets out the high and low trading price and volume of trading of Common Shares on the CSE during the periods indicated.

Period	High ($)	Low ($)	Volume
May 1 – 31, 2021	0.115	0.115	0
April 1 - 30, 2021	0.115	0.115	0
March 1 - 31, 2021	0.115	0.115	0
February 2021	0.115	0.115	0
January 2021	0.115	0.115	0
December 2020	0.115	0.115	0
November 2020	0.115	0.115	0
October 2020	0.115	0.115	0
September 2020	0.115	0.115	0
August 2020	0.15	0.115	106,067
July 2020	0.15	0.105	224,575
June 2020	0.15	0.1	293,341
May 2020	0.135	0.1	150,762
April 2020	1.45	0.075	600,649
March 2020	0.19	0.06	174,173

Period	High ($)	Low ($)	Volume
February 2020	0.25	0.125	442,128
January 2020	0.165	0.125	207,133
Q4 2019	0.25	0.005	16,759,275
Q3 2019	0.55	0.015	49,099,538
Q2 2019	0.15	0.045	108,645,442
Q1 2019	0.22	0.085	256,110,020
Q4 2018	0.245	0.07	151,030,912
Q3 2018	0.65	0.105	72,014,096
Q2 2018	0.105	0.065	4,440

Selected Consolidated Financial Information

Annual Information

The following table is a summary of selected financial information for Netcoins for the fiscal years ended December 31, 2020 and December 31, 2019. This information has been prepared in accordance with IFRS and is expressed in Canadian dollars. See also the Netcoins Financial Statements attached hereto as Schedule "A".

	Year Ended December 31, 2020 (audited) ($)	Year Ended December 31, 2019 (audited) ($)
Revenue	-	43,379,204
Net Loss	650,004	(1,007,957)
Other income	1,941,905	2,267,552
Basic and diluted loss per share	0.13	(0.26)
Total Assets	3,091,962	2,267,352
Total non-current liabilities	Nil	Nil
Cash dividends declared	Nil	Nil

See the Netcoins MD&As for the years ended December 31, 2020 and December 31, 2019 attached to this Information Circular as Schedule "B" for a discussion of the factors causing period to period variations in the Netcoins financial condition for the fiscal years ended December 31, 2020 and December 31, 2019, including significant acquisitions and changes in the direction of Netcoins business.

Quarterly Information

The following table is a summary of selected financial information for the eight most recently completed fiscal quarters of Netcoins. This information has been prepared in accordance with IFRS and is expressed in Canadian dollars. See also the Netcoins Financial Statements attached hereto as Schedule "A".

	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Three Months Ended	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Total Revenue	Nil	Nil	Nil	Nil
Loss before other income (expense)	(503,715)	(288,415)	(248,168)	(251,603)
Net Profit (Loss)	(1,626,873)	2,069,029	457,665	(249,817)
Earnings (Loss) per share-basic and diluted	(0.33)	0.09	(0.05)	(0.17)
	4th Quarter	**3rd Quarter**	**2nd Quarter**	**1st Quarter**
Three Months Ended	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Total Revenue	Nil	4,677,397	16,469,400	22,202,831
Loss before other income (expense)	(590,755)	(660,989)	(848,468)	(955,282)
Net Profit (Loss)	(479,963)	1,261,480	(643,974)	(1,041,570)
Earnings (Loss) per share-basic and diluted	(0.17)	0.25	(0.13)	(0.21)

See Netcoins' MD&As for the years ended December 31, 2020 and December 31, 2019 attached to this Information Circular as Schedule "B" for a discussion of the factors causing period to period variations in Netcoins' financial condition over the past eight fiscal quarters.

Number of Directors

At the Meeting, Shareholders will be asked to pass a resolution to confirm the number of directors of the Corporation for the ensuing year as five (5). The number of directors is to be approved by ordinary resolution of the Shareholders entitled to vote at the Meeting.

Management recommends the Shareholders approve the resolution to set the number of directors of the Corporation at five (5). Unless otherwise indicated on the Proxy received by the Corporation, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such Proxy, properly executed, in favour of the resolution to set the number of directors of the Corporation at five (5).

Election of Directors

The directors of the Corporation are elected at each annual meeting of the Shareholders of the Corporation and hold office until the end of the next annual Shareholder meeting or until their successors are elected or appointed, unless the director's office is vacated earlier in accordance with the Articles of the Corporation (which, set out in articles, is the governing charter of the Corporation), or with the provisions of applicable legislation.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for each new director nominee), the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as of June 15, 2021.

Name, Province, Country of Residence, and Position(s)with the Corporation	Principal Occupation Business, or Employment	Periods during which Nominee has Served as a Director	Number of Shares Beneficially Owned, or Controlled Directed, Directly or Indirectly[1]
Desmond Balakrishnan[2] Director British Columbia, Canada	Lawyer at the Vancouver office of McMillan LLP since 2002.	Since August 31, 2018	Nil[3]
Ken Cotiamco Director British Columbia, Canada	Managing Partner, Skanderbeg Capital Advisors	Nil	Nil
Robert Dubeau President and Director British Columbia, Canada	Businessman	Nil	Nil
Carson Seabolt Director British Columbia, Canada	Partner, Skanderbeg Capital Advisors	Nil	Nil
Mario Vetro Director British Columbia, Canada	Partner, Skanderbeg Capital Advisors	Nil	Nil

Notes:

(1) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, is as of June 15, 2021, and has been furnished to the Corporation by the respective nominees individually.

(2) Member of the Audit Committee.

(3) Mr. Balakrishnan holds options to purchase 10,000 common shares at a price of $0.35 until March 14, 2023.

Management recommends election of each of the nominees listed above for election as director of the Corporation for the ensuing year. Unless otherwise indicated on the Proxy received by the Corporation, the persons designated as proxyholders in the accompanying Proxy will vote the Common Shares represented by such Proxy, properly executed, in favour of each of the nominees listed in the Proxy, all of whom are presently members of the Board.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then persons designated in the Proxy intend to exercise discretionary authority to vote the Common Shares represented by the Proxy for the election of any other persons nominated by management for election as directors.

Cease Trade Orders

Other than as disclosed herein, no proposed director of the Corporation is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Desmond Balakrishnan, a director of the Corporation, was a director of Aroway Energy Inc. ("**Aroway**"), a TSX Venture Exchange listed company at the time a Cease Trade Order was issued by the British Columbia Securities Commission on January 4, 2016 for not having filed its annual financial statements for the year ended June 30, 2015 and its interim financial report for the financial period ended September 30, 2015 and its management's discussion and analysis for the periods ended June 30, 2015 and September 30, 2015. The Cease Trade Order remains in effect.

Desmond Balakrishnan, a director of the Corporation, was a director of Probe Resources Ltd. ("**Probe**") (now known as Rooster Energy Ltd.), a TSX Venture Exchange listed company, at the time Probe was issued a cease trade order on January 7, 2011, for failure to file its annual financial statements and management's discussion and analysis for its financial year ended August 31, 2010 in the required time. Probe announced by press release dated November 16, 2010 that the company's U.S. subsidiaries filed voluntary Chapter 11 petitions in U.S. Bankruptcy Court for the Southern District of Texas in Houston, Texas. Mr. Balakrishnan resigned upon the filing of the Chapter 11 proceeding in November 2012. Probe emerged from its Chapter 11 bankruptcy filing on April 15, 2011 and then brought its filings up to date. On February 6, 2012, the cease trade order was lifted.

Bankruptcies

No proposed director of the Corporation is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

Except as disclosed below, no proposed director of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Appointment of Auditor

The Board determined not to nominate MNP LLP, Chartered Professional Accountants, ("**MNP LLP**") for appointment as auditor of the Corporation; and subject to shareholder approval at the Meeting, to appoint Manning Elliott LLP, Chartered Professional Accountants, ("**Manning Elliott**") of 1030 West Georgia

Street, 17th Floor, Vancouver, B.C. V6E 2Y3 to be auditor of the Corporation. Accordingly, the Corporation sent Notice of Change of Auditor to both MNP LLP and Manning Elliott. Copies of the Notice of Change of Auditor, the letter from MNP LLP as former auditor and the letter from Manning Elliott as successor auditor were filed on the Corporation's SEDAR profile at www.sedar.com in accordance with the requirements of National Instrument 51-102.

Management recommends Shareholders vote for the appointment of Manning Elliott as the Corporation's auditor at a remuneration to be fixed by the Board. Unless otherwise indicated on the form of Proxy received by the Corporation, the persons designated as proxyholders in the accompanying form of Proxy will vote the Common Shares represented by such form of Proxy, properly executed, in favour of the appointment of Manning Elliott as the Corporation's auditor at a remuneration to be fixed by the Board.

Stock Option Plan

The Board is of the view that the Corporation's 10% rolling Stock Option Plan provides the Corporation with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry.

Shareholder Resolution

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

> "**RESOLVED** as an ordinary resolution of the shareholders of the Corporation, that the Corporation's 10% rolling Stock Option Plan dated for reference October 29, 2013 be and is hereby ratified and approved."

The Directors of the Corporation believe the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that shareholders of the Corporation vote in favour of the resolution.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the Stock Option Plan

Restricted Share Unit Plan

The Board is of the view that the Corporation's Restricted Share Unit Plan provides long term incentive for the directors, officers, consultants and other key employees of the Corporation. RSUs provide the Corporation with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants and employees.

Shareholder Resolution

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

> "**RESOLVED** as an ordinary resolution of the shareholders of the Corporation, that the Corporation's Restricted Share Unit Plan dated for reference July 12, 2018 be and is hereby ratified and approved."

The Directors of the Corporation believe the passing of the foregoing ordinary resolution is in the best interests of the Corporation and recommend that shareholders of the Corporation vote in favour of the resolution.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the Restricted Share Unit Plan

AUDIT COMMITTEE DISCLOSURE

The Audit Committee Charter

The full text of the Corporation's Audit Committee Charter (the "**Audit Committee Charter**") is attached as Schedule "A" to the Corporations Information Circular dated June 14, 2019 filed on the Corporation's SEDAR profile at www.sedar.com on July 3, 2019.

Composition of the Audit Committee

The Corporation's Audit Committee is currently comprised of three directors: Kevin Ma, Emmery Wang and Desmond Balakrishnan. Messrs. Balakrishnan and Wang are independent members of the Audit Committee. Mr. Ma is not independent as he is an officer of the Corporation. All members of the Audit Committee are "financially literate", as all have the industry experience necessary to understand and analyze financial statements of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting.

Following the Meeting, assuming that all nominated directors are elected, the Corporation's Audit Committee will be comprised of three (3) directors: Desmond Balakrishnan, Carson Seabolt and Ken Cotiamco. Desmond Balakrishnan and Carson Seabolt would be independent members of the Audit Committee. Ken Cotiamco would not be independent as he is an officer of the Corporation. All proposed members of the Audit Committee are "financially literate", as all have the industry experience necessary to understand and analyze financial statements of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting.

Relevant Education and Experience

Desmond Balakrishnan

Mr. Balakrishnan is a Vancouver lawyer and has practiced law as a partner at McMillan LLP since February 2002. Mr. Balakrishnan is now, or has been in the last five years, a director or officer of 15 public companies or reporting issuers. Mr. Balakrishnan received his law degree from the University of Alberta in June 1997 and was called to the British Columbia Bar in May 1997. He received his Bachelor of Arts from Simon Fraser University in June 1994.

Carson Seabolt *(director nominee)*

Mr. Seabolt is a seasoned generalist investor and entrepreneur that is well versed in finance and marketing strategies for micro-cap private and public Canadian companies with expertise in identifying undervalued situations. Mr Seabolt and his partners have raised in excess of $500M for public Canadian companies and have a proven track record of building and capitalizing start -ups. Carson and his partners co-founded and purpose built K92 Mining Corp to capitalize on divestments initiated by Global Major Barrick Gold Corp which resulted in the acquisition of the fully developed, fully permitted, multi-million ounce Kainantu Gold mine in Papua New Guinea which is currently valued at approximately $1.7 Billion dollars, recently received the Thayer Lindsley award for best global discovery and has emerged as one of the world's truly great gold discoveries.

Ken Cotiamco (director nominee)

Mr, Cotiamco has over 10 years of corporate finance and investment planning experience Mr. Cotiamco assists portfolio clients with structuring, investing, financing and advising on capital markets strategies that are synergistic with co investment partners and financiers.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). NI 52-110, section 2.4 - *De Minimis Non-audit Services,* provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. NI 52-110, section 8 - *Exemptions* permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter.

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditor in the last three fiscal years, by category, are as follows:

Financial Year Ended December 31	Audit Fees(1)	Audit-Related Fees(2)	Tax Fees(3)	All Other Fees(4)
2020	$25,900	Nil	Nil	Nil
2019	$75,000	Nil	Nil	Nil
2018	$49,500	Nil	Nil	Nil

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

As the Corporation is a "venture issuer" as defined under NI 52-110, it is relying on the exemption provided by section 6.1 of NI 52-110 relating to Parts 3 - *Composition of the Audit Committee* and 5 - *Reporting Obligations*.

CORPORATE GOVERNANCE

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognize the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

The Board facilitates its exercise of independent supervision over management by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Corporation's activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Board also holds periodic meetings to discuss the operation of the Corporation.

Desmond Balakrishnan and Emmery Wang are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than the interests and relationships arising as shareholders.

Kevin Ma and Michael Vogel are not "independent" as determined under NI 52-110 (defined below) as Mr. Ma is Chief Financial Officer of the Corporation and Mr. Vogel is the interim Chief Executive Officer and the Vice-President of Technology of the Corporation.

Following the Meeting, assuming that all nominated directors are elected, there will be five directors, three of which will be "independent", being Desmond Balakrishnan, Carson Seabolt and Mario Vetro, and two of which will be not "independent", being Ken Cotiamco (Chief Financial Officer) and Robert Dubeau (President).

The directors are responsible for managing and supervising the management of the business and affairs of the Corporation. Each year, the Board must review the relationship that each director has with the Corporation in order to satisfy themselves that the relevant independence criteria have been met.

Directorships

The following directors and director nominees are presently directors of other reporting issuers as set out below:

Name of Director, Officer or Promoter	Name of Reporting Corporation	Market
Desmond Balakrishnan	Contagious Gaming Inc.	TSXV
	Isracann Biosciences Inc.	CSE
	Karam Minerals Inc.	CSE
	GrowMax Resources Corp.	TSXV
	Netcoins Holding Inc.	CSE
	Northern Dynasty Minerals Ltd.	TSX/NYSE
	Planet Ventures Inc.	TSXV
	Solution Financial Inc.	TSXV
	Strategic Capital Corporation	TSXV
	Upper Canyon Minerals Corp.	NEX
	HempFusion Wellness	CSE
	Black Shield Metals Inc	CSE

Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as recent financial statements, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Corporation also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

Ethical Business Conduct

Each director is required to disclose fully to the Board any material interest such director may have in any transaction contemplated by the Corporation. In the event that a director discloses a material interest in a proposed transaction, the Corporation's independent directors will review the nature and terms of the proposed transaction in order to ascertain and confirm that it is being considered on commercially reasonable and arm's-length terms. The Board does not currently have any policies and plans to adopt formal policies in the future.

Nomination of Directors

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development and given the relatively small size of the Board.

While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

Compensation

The Board reviews on an annual basis the adequacy and form of compensation of officers and directors to ensure that the compensation of the Board and management reflects the responsibilities, time commitment and risks involved in being an effective member of the Corporation. A more detailed description of Compensation can be found in the "*Statement of Executive Compensation*" section of this Circular.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees, if any, or individual directors. As the Board is relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent, and could be dealt with on a case-by-case basis. With respect to the Board as a whole, the Board monitors its performance on an ongoing basis, and as part of that process considers the overall performance of the Corporation and input from its Shareholders.

STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers, as such term is defined in NI 51-102.

For the purposes of this Statement of Executive Compensation:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries; and

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;

(b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;

(c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5), for that financial year;

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, requirements and was not acting in a similar capacity, at the end of that financial year.

During the financial years ended December 31, 2020 and December 31, 2019, based on the definition above, the NEOs of the Corporation were: Mark Binns (Former President, Chief Executive Officer and director); Kevin Ma (Chief Financial Officer and director); and Michael Vogel (Interim Chief Executive Officer, Vice-President, Technology and director).

The following statement of executive compensation also includes disclosure in respect of each person who served as a director of the Corporation in the years ended December 31, 2020 and December 31, 2019. The Board members who were not also NEOs during the financial years ended December 31, 2020 and December 31, 2019 were: Desmond Balakrishnan (director); Emmery Wang (director); Mark Healy (former director); and Alex Tong (former director).

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and members of the board of directors of the Corporation (the "**Board**") for the two most recently completed financial years ended December 31, 2020, December 31, 2019. Options and compensation securities are disclosed under the heading "*Share Options and Other Compensation Securities*" below.

Table of Compensation Excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)[1]	Total compensation ($)
Mark Binns[(2)] Former President, CEO and Director	2020 2019 2018	Nil 151,667 260,000	Nil Nil 65,000	Nil Nil Nil	Nil Nil Nil	Nil Nil 306,000	Nil 151,667 631,000
Kevin Ma[(3)] CFO and Director	2020 2019 2018	189,000 158,400 132,000	Nil 95,000 19,800	Nil Nil Nil	Nil Nil Nil	Nil 54,034 120,964	189,000 317,181 272,764
Michael Vogel[(4)] Interim CEO, V.P. Technology and Director	2020 2019 2018	117,000 120,000 120,000	Nil 15,000 10,000	Nil Nil Nil	Nil Nil Nil	Nil 13,692 69,000	117,000 171,686 199,000
Desmond Balakrishnan[(5)] Director	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil 17,115 Nil	Nil 17,115 Nil
Emmery Wang[(6)] Director	2020 2019 2018	24,089 Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	24,089 Nil Nil
Mark Healy[(7)] Former Director	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil 7,500	Nil Nil 7,500
Alex Tong[(8)] Former Director	2020 2019 2018	Nil 83,930 Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil 7,500	Nil 83,930 7,500

Notes:

1. Fair value of incentive stock option grants calculated using Black-Scholes model.
2. Mr. Binns was appointed President, CEO, and Director on March 8, 2018 and ceased to be President, CEO, and Director on July 31, 2019.

3. Mr. Ma was appointed CFO on March 8, 2018 and elected to the board of directors on August 31, 2018.
4. Mr. Vogel was appointed V.P Technology and elected to the board of directors on March 8, 2018. Mr. Vogel was subsequently appointed as interim CEO on July 31, 2019.
5. Mr. Balakrishnan was elected to the board of directors on August 31, 2018.
6. Ms. Wang was elected to the board of directors on July 24, 2019.
7. Mr. Healy was a director of the board from May 8, 2018 to July 24, 2019.
8. Mr. Tong was a director of the board from August 31, 2018 to March 12, 2020.

Stock Options and Other Compensation Securities

10% Rolling Stock Option Plan (Option-Based Awards)

The Corporation has a 10% "rolling" stock option plan dated for reference October 29, 2013 (the "**Stock Option Plan**"). Under the Stock Option Plan the Corporation may grant to directors, officers, employees and consultants options to purchase common shares in the Corporation. The aggregate number of shares reserved for issuance under the Stock Option Plan shall not exceed 10% of the total number of issued and outstanding shares at the time of the grant. The Stock Option Plan provides that the exercise price for any option granted shall be determined by the Board, provided that such price shall not be lower than the Fair Market Value of the option shares on the date of grant of the option. "Fair Market Value" means, as of any date, the value of the Common Shares, determined as follows:

(i) if the Common Shares are listed on the TSX Venture Exchange, the Fair Market Value shall be the last closing sales price for such shares as quoted on such Exchange for the market trading day immediately prior to the date of grant of the Option, less any discount permitted by the Exchange;

(ii) if the Common Shares are listed on an Exchange other than the TSX Venture Exchange, the fair market value shall be the closing sales price of such shares (or the closing bid, if no sales were reported) as quoted on such Exchange for the market trading day immediately prior to the time of determination less any discount permitted by such Exchange; and

(iii) if the Common Shares are not listed on an exchange, the Fair Market Value shall be determined in good faith by the Board.

Options granted shall be exercisable for a period, to be determined in each instance by the Board, not exceeding ten (10) years from the date of the grant of the option. The options must be exercised in accordance with the Stock Option Plan and the Option Agreement.

There are no stock appreciation rights associated with the stock options granted under the Stock Option Plan and there are no provisions under the Stock Option Plan to transform stock options into stock appreciation rights.

The Board may amend, suspend or terminate the Stock Option Plan or any portion thereof at any time, but an amendment may not be made without shareholder approval and Exchange approval if such approval is necessary to comply with any applicable regulatory requirement.

The Corporation does not provide financial assistance to participants under the Stock Option Plan. The Corporation's compensation policies and programs are designed to recognize and reward executive performance consistent with the success of the Corporation's business.

The granting of options to the Named Executive Officers under the Corporation's Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. The number of options the Corporation grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Corporation in the execution of such person's responsibilities.

However, the number of options granted does not depend upon nor does it reflect the fulfillment of any specific performance goals or similar conditions. Previous grants of options to Named Executive Officers are taken into consideration by the Board of Directors in developing its recommendations with respect to the granting of new options.

The granting of options to the non-management Directors of the Corporation under the Corporation's Stock Option Plan provides an appropriate long-term incentive to these Directors to provide proper independent oversight to the Corporation with a view to maximizing shareholder value. The number of options the Corporation grants to each of these Directors reasonably reflects each Director's contributions to the Corporation in his capacity as a Director and as a member of one or more committees of the Board (if applicable), including without limitation the Audit Committee. Previous grants of options awarded to the independent Directors of the Corporation are taken into consideration when the Corporation considers the granting of new options to the independent Directors.

<u>Fixed Restricted Share Unit Plan</u> (Share-based Awards)

The Corporation has a restricted share unit plan dated effective July 12, 2018 (the "**RSU Plan**"). The RSU Plan was designed to provide certain directors, officers and other key employees of the Corporation and its related entities with the opportunity to acquire restricted share units ("**RSUs**") of the Corporation in order to enable them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of the Shareholders. The Board (or such other committee the Board may appoint) is responsible for administering the RSU Plan.

The RSU Plan allows the Corporation to grant RSUs, under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a maximum of 11,669,456 Shares.

The following is a summary of the RSU Plan. **Capitalized terms used but not defined in this section of the Information Circular shall have the meanings ascribed thereto in the provisions of the RSU Plan.**

Benefits of the RSU Plan

The RSU Plan is designed to be a long term incentive for the directors, officers, consultants and other key employees of the Corporation. RSUs provide the Corporation with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants and employees.

The Board may engage such consultants and advisors as it considers appropriate, including compensation or human resources consultants or advisors, to provide advice and assistance in determining the amounts to be paid under the RSU Plan and other amounts and values to be determined hereunder or in respect of the RSU Plan including, without limitation, those related to a particular fair market value.

Nature and Administration of the RSU Plan

All Directors, Officers, Consultants and Employees (as defined in the RSU Plan) of the Corporation and its related entities ("**Eligible Persons**") are eligible to participate in the RSU Plan (as "**Recipients**"), and the Corporation reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Recipients in the RSU Plan. Eligibility to participate as a Recipient in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee, can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account maintained for each Recipient on the books of the Corporation as of the award date. The number of RSUs to be credited to each Recipient's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

Each award of RSUs vests on the date (each a "**Vesting Date**") that is the later of the Trigger Date (as defined in the RSU Plan) and the date upon which the relevant performance condition or other vesting condition set out in the award has been satisfied, subject to the requirements of the RSU Plan.

RSUs and all other rights, benefits or interests in the RSU Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

Credit for Dividends

A Recipient's account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Shares. The number of additional RSUs to be credited to a Recipient's account is computed by multiplying the amount of the dividend per Share by the aggregate number of RSUs that were credited to the Recipient's account as of the record date for payment of the dividend, and dividing that number by the Fair Market Value. Note that the Corporation is not obligated to pay dividends on Shares.

Resignation, Termination, Leave of Absence or Death

Generally, if a Recipient's employment or service is terminated, or if the Recipient resigns from employment with the Corporation, then any RSUs credited to him or her under the RSU Plan which have not vested on or before the separation date for the Recipient are forfeited, cancelled and terminated without payment.

In the event a Recipient is terminated without cause, unvested RSUs will immediately vest on the date of termination. If a Recipient's employment or service is terminated (otherwise than without cause), or the Recipient enters Retirement (as defined in the RSU Plan), dies, or suffers Total Disability (as defined in the RSU Plan), all unvested RSUs are automatically cancelled without compensation.

Control Change

In the event of a Change of Control, all RSUs credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the RSU Plan shall vest on the date on which the Change of Control occurs (the "**Change of Control Date**"). Within thirty (30) days after the Change of Control Date, but in no event later than the Expiry Date, the participant shall receive a cash payment equal in amount to: (a) the number of RSUs that vested on the Change of Control Date; multiplied by (b) the Fair Market Value on the Change of Control Date, net of any withholding taxes and other source deductions required by law to be withheld by the Corporation.

Adjustments

In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Corporation assets to shareholders, or any other change in the capital of the Corporation affecting Shares, the Board will make adjustments with respect to the number of RSUs outstanding and any proportional adjustments as it, in its discretion, considers appropriate to reflect the change.

Vesting

The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the performance conditions if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then December 31 of the third calendar year following the date of the grant (the "**Trigger Date**"), and the date upon which the relevant Performance Condition or other vesting condition has been satisfied, subject to the limitations of the RSU Plan.

The Board may accelerate the Trigger Date of any RSU at its election.

Limitations under the RSU Plan

Unless Shareholder Approval is obtained, or unless permitted otherwise by the rules of the Exchange:

a. the maximum number of Shares which may be reserved for issuance to Related (as defined in the RSU Plan) (as a group) under the RSU Plan, together with any other Share Compensation Arrangement (as defined in the RSU Plan), may not exceed 10% of the issued Shares;

b. the maximum number of RSUs that may be granted to Related Persons (as a group) under the RSU Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date (as defined in the RSU Plan);

c. the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan, together with any other Share Compensation Arrangement, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Grant Date;

d. the maximum number of RSUs that may be granted to a Consultant (as defined in the RSU Plan), within a 12-month period, may not result in a number of RSUs exceeding 2% of the number of Shares outstanding at the Grant Date, together with any other Share Compensation Arrangement, without the prior consent of the CSE; and

e. grants of RSUs under the RSU Plan to any one Eligible Person may not exceed 1% of the issued Shares at the Grant Date and may not, in aggregate, exceed 2% of the issued Shares, within a 12-month period.

Outstanding Compensation Securities

The following table discloses all incentive stock options (option-based awards) and restricted share units (share-based awards) that were outstanding to NEOs and directors who were not NEOs of the Corporation as at the financial years ended December 31, 2020 and December 31, 2019.

Compensation Securities							
Name and Position	**Type of Compensation Security**	**Number of Compensation Securities, underlying securities and percentage of class (# / %)**	**Date of Grant or Issue (mm/dd/yy)**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end[1] ($)**	**Expiry Date (mm/dd/yy)**
Mark Binns President, CEO and former Director	Stock Options	2,000,000[2] 700,000[2]	March 14, 2018 July 6, 2018	$0.35 $0.10	$0.35 $0.10	$0.115 $0.115	March 14, 2023 July 6, 2023
	RSUs	600,000	October 18, 2018	N/A	N/A	N/A	N/A
Kevin Ma CFO and Director	Stock Options	789,2862	March 14, 2018	$0.35	$0.35	$0.115	March 14, 2023 N/A
	RSUs	350,000	October 18, 2018	N/A	N/A	N/A	N/A

Compensation Securities							
Name and Position	**Type of Compensation Security**	**Number of Compensation Securities, underlying securities and percentage of class (# / %)**	**Date of Grant or Issue (mm/dd/yy)**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end[(1)] ($)**	**Expiry Date (mm/dd/yy)**
Michael Vogel V.P. Technology and Director	Stock Options	200,0002	March 14, 2018	$0.35	$0.35	$0.115	March 14, 2023
	RSUs	350,000	October 18, 2018	N/A	N/A	N/A	N/A
Desmond Balakrishnan Director	Stock Options	250,000[2]	March 14, 2018	$0.35	$0.35	$0.115	March 14, 2023
Mark Healy former Director	Stock Options	250,000[2]	March 14, 2018	$0.35	$0.35	$0.115	March 14, 2023
	RSUs	100,000	October 18, 2018	N/A	N/A	N/A	N/A

(1) Closing price on December 31, 2020, being the last day of the financial year on which the Corporation's shares traded.
(2) These stock options are pre-consolidation of 25:1

Exercise of Compensation Securities by NEOs and Directors

During the financial years ended December 31, 2020 and December 31, 2019, there were no stock options that expired unexercised; nor were there any compensation securities exercised by any of the NEOs or directors of the Corporation during the same financial year.

Employment, Consulting and Management Agreements

Management of the Corporation is performed by the directors and officers of the Corporation and not by any other person.

There are no plans in place with respect to compensation of the Named Executive Officers in the event of a termination of employment without cause or upon the occurrence of a change of control.

Oversight and Description of Director and NEO Compensation

Given the Corporation's size and stage of operations, it has not appointed a compensation committee or formalized any guidelines with respect to compensation at this time. The amounts paid to the Named Executive Officers are determined by the independent Board members. The Board determines the appropriate level of compensation reflecting the need to provide incentive and compensation for the time and effort expended by the executives, while taking into account the financial and other resources of the Corporation.

Pension Disclosure

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The Corporation has two equity compensation plans: i) a 10% rolling stock option plan and ii) a fixed restricted share unit plan, as described in this Information Circular.

The following table sets forth details of the Corporation's equity compensation plan information as at the financial year ended December 31, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	54,371 (Options) NIL (RSUs)	N/A	431,288 (Options) 485,659 (RSUs)
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	**54,371 (Options)** **NIL (RSUs)**	**N/A**	**431,288** (Options) **485,659** (RSUs)

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person is, or at any time during the most recently completed financial year has been, indebted to the Corporation.

No indebtedness of a current or former director, executive officer, employee, or proposed nominee for election as a director, or associate of such person to another entity is, or at any time during the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No (a) director, proposed director or executive officer of the Corporation; (b) person or company who beneficially owns, directly or indirectly, Common Shares or who exercises control or direction over Common Shares, or combination of both carrying more than ten percent of the voting rights attached to the Common Shares outstanding (an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's two most recently completed financial years, or in any proposed transaction, which has materially affected or would materially affect the Corporation, except with an interest arising from the ownership of Common Shares where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all Shareholders other than as set out under *"Employment, Consulting and Management Agreements*" and herein below.

During the year ended December 31, 2020 and 2019, the Corporation paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

	December 31, 2020	December 31, 2019
Management Directors	$ 310,500 28,590	$ 864,864 291,193
	$ 339,090	$ 1,156,057

During the years ended December 31, 2020 and December 31, 2019, the Corporation also had share-based payments made to management and directors of 2020 - $nil; 2019 - $226,566 (2018 - $1,333,338) and $17,429 (2018 - $94,823), respectively.

During the years ended December 31, 2020 and December 31, 2019, the Corporation purchased Bitcoins from a company with common management: 2020 $nil; 2019 - $472,603 (2018 - $356,516).

As at December 31, 2020 and December 31, 2019, the Corporation had the following amounts due to related parties:

	December 31, 2020	December 31, 2019
Accounts payable and accrued liabilities Due to related party	$ 57,236 -	$ 590 -
	$ 57,236	$ 590

MANAGEMENT CONTRACTS

There are no management functions of the Corporation, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, proposed nominee for election as a director of the Corporation, or associate or affiliate of any such director, executive officer or nominee, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

RISK FACTORS ON COMPLETION OF CHANGE OF BUSINESS

The following are certain risk factors relating to the business to be carried on by the Corporation, including the business of the Investments, which prospective investors should carefully consider before deciding whether to purchase Common Shares. For the purposes of this section, any reference to the Corporation's business and operations includes the business and operations of the Investments. Any explicit use of the term "Investments" or discussion of specific Investment is for narrative purposes only and should be understood to include the Corporation.

The risks presented below may not be all of the risks that the Corporation may face. The Corporation will face a number of challenges in the development of its business due to the nature of the present stage of the business and operations of its Investments and its Investment Policy. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Readers should not rely upon forward-looking statements as a prediction of future results. Readers should carefully consider all such risks, including those set out in the discussion below and elsewhere in this Listing Statement.

Risks Relating to Investments

Market Reaction to Investments

The market reaction to the Corporation's Investments and the future trading prices of the Common Shares cannot be predicted. If any disclosed Investments are not consummated, the market price of Common Shares may decline to the extent that the current market price of Common Shares reflects a market assumption that the Investments will be completed.

Costs of the Investments

Certain costs related to the Investments, such as legal and accounting fees incurred by the Corporation, must be paid by the Corporation even if the Investments are not completed.

Failure to Secure a More Attractive Offer

If the Investments are not completed and the Board decides to seek other merger or business combinations, there can be no assurance that it will be able to find an equivalent or more attractive price than the consideration pursuant to the Investments.

Termination of Investments in Certain Circumstances

The Corporation may elect to withdraw any of its investments (where possible) for a number of reasons including, without limitation, changing market conditions, a recommendation from the Corporation's Board of Directors or the availability of a more suitable investment opportunity. If for any reason the Investments are delayed or not completed, the market price of Common Shares may be adversely affected (see "*Risk Factors – Market Reaction*" above).

Investment Corporation Status

As an Investment Corporation, essentially all of the Corporation's operating assets are the capital stock of its Investments. As a result, investors in the Corporation are subject to the risks attributable to its Investments. As an Investment Corporation, the Corporation conducts substantially all of its business through its Investments, which generate substantially all of its revenues. Consequently, the Corporation's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its Investments and the distribution of those earnings to the Corporation. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Corporation's Investments, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those Investments before any assets are made available for distribution to the Corporation.

Competition for Investments

There is potential that the Corporation will face intense competition from numerous other companies, some of which can be expected to have longer operating histories and more financial resources and technical, manufacturing and marketing experience than the Corporation. Increased competition by larger and better financed competitors could materially and adversely affect the Corporation's ability to acquire Investments.

To remain competitive, the Corporation will require a continued high level of investment in research, marketing and networking, and research and development, marketing, sales and client support for its Investments. The Corporation may not have sufficient resources to maintain its operations on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Corporation.

Tax Consequences

The Investments described herein, including the acquisition, ownership and disposition of the Common Shares may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and disclosure is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

Risks Facing Investee Companies

The Corporation's financial condition and results of operations will be affected by the performance of the companies in which it invests. Each investee company will also be subject to risks which will affect their respective financial condition. Given that, other than with respect to the Investments, the Corporation does not currently know the exact nature of the businesses in which it may make investments, it is impossible to predict exactly what risks investee companies will face. Nonetheless, typical risks which investee companies might be expected to face include the following:

- Investee companies may need to raise capital through equity or debt financing. Failure to obtain such equity or debt, or the terms of such equity or debt that may be available, may impair the ability of investee companies to finance their future operations and capital needs. Flexibility to respond to changing business and economic conditions may therefore be limited.

- The success of investee companies may depend on the talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on an investee company.

- Investee companies may require additional working capital to carry out their business activities and to expand their businesses. If such working capital is not available, the financial performance and development of the businesses of the investee companies may be adversely affected.

- Damage to the reputation of investee companies' brands could negatively impact consumer opinion of those companies or their related products and services, which could have an adverse effect on their businesses.

- Investee companies may face intense competition, including competition from companies with greater financial and other resources, and more extensive development, manufacturing, marketing and other capabilities. There can be no assurance that investee companies will be able to successfully compete against their competitors or that such competition will not have a material adverse effect on their businesses.

- Investee companies may experience reduced revenues through the loss of a customer representing a high percentage of their revenues.

- Investee companies may experience reduced revenues due to an inability to meet regulatory requirements, or may experience losses of revenues due to unforeseeable changes in regulations imposed by various levels of government.

- Investee companies may rely on government or other subsidy programs for revenue or profit generation. Changes to, or elimination of, such programs may have an adverse effect on such companies.

- Investee companies may experience negative financial results based on foreign exchange losses.

- The material adverse effects experienced by investee companies due to the current COVID-19 pandemic, including, but not limited to, decreased global economic activity, disruptions to global supply chains, and the volatility of the financial and capital markets, which could affect the business, financial condition, results of operations and other factors relevant to each investee company, including their ability to raise capital.

General Risks

Volatile Market Price for Common Shares

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including the following:

- actual or anticipated fluctuations in the Corporation's quarterly results of operations;

- recommendations by securities research analysts;

- changes in the economic performance or market valuations of companies in the industry in which the Corporation operates;

- addition or departure of the Corporation's executive officers and other key personnel;

- release or expiration of transfer restrictions on outstanding Common Shares;

- sales or perceived sales of additional Common Shares;

- operating and financial performance that vary from the expectations of management, securities analysts and investors;

- regulatory changes affecting the Corporation's industry generally and its business and operations;

- announcements of developments and other material events by the Corporation or its competitors;

- fluctuations to the costs of vital production materials and services required by the businesses underlying the Investments;

- changes in global financial markets and global economies and general market conditions, such as interest rates;

- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors;

- operating and share price performance of other companies that investors deem comparable to the Corporation or from a lack of market comparable companies; and

- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in share price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of Common Shares may be materially adversely affected.

Limited Market for Securities

Upon completion of the Change of Business, the Common Shares will be listed on the CSE, however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Corporation.

Lack of Operating History

Many of the Corporation's Investments have only recently started to carry their businesses. The Corporation will therefore be subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. The failure by the Corporation to meet any of these conditions could have a materially adverse effect on the Corporation and may force it to reduce, curtail, or discontinue operations. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations. The Corporation may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Corporation fails to do so, it could materially harm its business and impair the value of its common stock, resulting in a loss to shareholders. Even if the Corporation accomplishes these objectives, the Corporation may not generate the anticipated positive cash flows or profits. No assurance can be given that the Corporation can or will ever be successful in its operations and operate profitably.

Reliance on Management and Key Personnel

The success of the Corporation is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Corporation attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Corporation's inability to retain employees and attract and retain sufficient additional employees as well as information technology, engineering, and technical support resources could have a material adverse impact on the Corporation's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Corporation's business, operating results or financial condition.

Additional Financing

The Corporation's future capital requirements depend on many factors, including its ability to market products successfully, cash flows from operations, locating and retaining talent, and competing market developments. The Corporation's business model requires spending money (primarily on, licensing, advertising and marketing) in order to generate revenue. Based on the Corporation's current financial situation, the Corporation may have difficulty continuing its operations at the current level, or at all, if it does not raise additional financing in the near future.

In order to execute the Corporation's business plan, the Corporation will require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Corporation when needed or on terms which are acceptable. The Corporation's inability to raise financing to support on-going operations or to fund capital expenditures could limit the Corporation's operations and may have a material adverse effect upon future profitability. The Corporation may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Corporation may be required to reduce, curtail, or discontinue operations. There is no assurance that the Corporation's future cash flow, if any, will be adequate to satisfy its ongoing operating expenses and capital requirements.

In Certain Circumstances, the Corporation's Reputation Could be Damaged

Damage to the Corporation's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Corporation and its activities, whether true or not. Although the Corporation believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Corporation does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Corporation's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Wide Industry Base

The Corporation's Investments extend over a number of industries, specifically psychedelics, mining, and technology. The ability to successfully navigate multiple sectors requires significant knowledge and involvement from management in a variety of different areas and is dependent on the ability of the Corporation to retain persons capable of providing that knowledge base to the Corporation. Additionally, factors in each of these sectors and any other that the Corporation ultimately invests in could result in a decrease in the value of the investment, which may impact the Corporation's business.

Operating Risk and Insurance Coverage

The Corporation will obtain and maintain insurance to protect its assets, operations and employees. There are no guarantees that the Corporation will be able to find adequate insurance coverage in the future or that the cost will be affordable to the Corporation. While the Corporation believes it will be able to obtain sufficient insurance coverage to address all material risks to which it will be exposed, such insurance will be subject to coverage limits and exclusions and may not be available for all risks and hazards to which the Corporation is exposed. In addition, no assurance can be given that such insurance will be adequate to cover all of the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Management of Growth

Should the Corporation experience rapid growth and development in its business in a relatively short period of time the Corporation may encounter growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Corporation are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies.

Litigation

The Corporation may be forced to litigate, enforce, or defend its contractual rights, protect its trade secrets, or determine the validity and scope of other parties' proprietary rights. Such litigation would be a drain on the financial and management resources of the Corporation which may affect the operations and business of the Corporation.

The Corporation may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Corporation becomes involved be determined against the Corporation such a decision could adversely affect the Corporation's ability to continue operating and the market price for Common Shares and could use significant resources. Even if the Corporation is involved in litigation and wins, litigation can redirect significant company resources.

COVID-19 Coronavirus Outbreak

The current global uncertainty with respect to the spread of COVID-19, the rapidly evolving nature of the pandemic and local and international developments related thereto, including its effect on the broader global economy and capital markets, may have a negative effect on the Corporation and its operations. While the precise impact of the COVID-19 outbreak on the Corporation remains unknown, rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having both direct and indirect impacts on businesses in Canada and around the world and could result in certain disruptions to the business and operations of the Corporation as well as a diversion of management attention which, in turn, could have a material adverse effect on the Corporation generally. The spread of COVID-19 may also have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains and the financial and capital markets, which could affect the business, financial condition, results of operations and other factors relevant to the Corporation, including its ability to raise additional financing. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Corporation's ability to access capital, which could in the future negatively affect the Corporation's liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect the Corporation's business and the value of the Corporation's securities.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's SEDAR profile at www.sedar.com. Shareholders may contact the Corporation by mail at its office at 488 – 1090 West Georgia Street, Vancouver, B.C. V6E 3V7 to request copies of the Corporation's financial statements and related management's discussion and analysis. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its two most recently completed financial years.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved and the delivery of it to each Shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, British Columbia this 21st day of June, 2021.

By Order of the Board of Directors

NETCOINS HOLDINGS INC.

"*Michael Vogel*"

Michael Vogel
Chief Executive Officer

SCHEDULE A

Annual Financial Statements for December 31, 2019 and December 31, 2020

NETCOINS HOLDINGS INC.
(FORMERLY GAR LIMITED)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Netcoins Holdings Inc. (formerly GAR Limited):

Qualified Opinion

We have audited the consolidated financial statements of Netcoins Inc. (formerly GAR Limited) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and December 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and December 31, 2018, and the consolidated financial performance and the consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

For the year ended December 31, 2019 audit, we could not obtain audit evidence with respect to the design and implementation of identified controls to determine the completeness of $13,776,521 of the $43,379,204 of revenue and $13,616,293 of the $43,035,168 related cost of sales. This impacts the results of operations and cash flows; we were unable to determine whether adjustments to revenue, cost of sales, tax expense, net loss, and cash used in operating activities for the year ended December 31, 2019 might be necessary.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to determine the completeness of $13,776,521 of the $43,379,204 of revenue and $13,616,293 of the $43,035,168 related cost of sales. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jo-Ann Lempert.

Montréal, Québec

MNP SENCRL, srl [1]

July 15, 2020

[1] FCPA auditor, FCA, public accountancy permit No. A122514

MNP SENCRL srl / LLP

NETCOINS HOLDINGS INC. (FORMERLY GAR LIMITED)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

(Expressed in Canadian Dollars)

	December 31, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	$ 1,934,390	$ 5,598,712
Trade and Other receivables (Note 8)	266,815	196,140
Cryptocurrency inventory (Note 10)	-	38,708
Prepaid expenses (Note 9)	65,355	38,775
	2,266,560	5,872,335
Property, plant and equipment (Note 11)	792	106,476
Total Assets	$ 2,267,352	$ 5,978,811
LIABILITIES AND SHARHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables (Notes 13 and 26)	$ 368,005	$ 373,786
Income taxes payable (Note 18)	78,158	-
Deferred revenue	-	426,895
	446,163	800,681
Deferred income taxes (Note 18)	-	36,465
Total Liabilities	446,163	837,146
SHAREHOLDERS' EQUITY		
Share capital (Note 15)	22,353,190	22,203,190
Contributed Surplus	760,511	760,511
Reserves (Notes 16 and 17)	4,991,141	4,441,419
Deficit	(26,283,653)	(22,263,455)
	1,821,189	5,141,665
Total Liabilities and Shareholders' Equity	$ 2,267,352	$ 5,978,811

Going concern (Note 2)
Subsequent Events (Note 27)

Approved on behalf of the Board of Directors

/s/ Kevin Ma	/s/ Desmond Balakrishnan
Kevin Ma, Director	Desmond Balakrishnan, Director

NETCOINS HOLDINGS INC. (FORMERLY GAR LIMITED)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in Canadian Dollars)

		December 31, 2019		December 31, 2018
REVENUE				
Cryptocurrency sales (Note 24)	$	43,379,204	$	58,357,238
Cryptocurrency purchases		(43,035,168)		(57,557,297)
Gross Profit		344,036		799,941
Listing revenues		323,675		178,089
NET REVENUE		667,711		978,030
OPERATING EXPENSES				
Accretion expense		23,363		-
Marketing and advertising		43,837		978,251
Bad debts		123,088		-
Consulting fees		682,000		515,106
Depreciation (Note 11 and 12)		101,246		34,788
Office and administrative (Note 26)		1,365,369		1,784,215
Legal and professional fees (Note 26)		748,411		372,969
Listing fees (Note 6)		-		16,121,221
Share-based payments (Note 17)		699,722		3,142,079
Transfer agent and regulatory fees		43,833		34,460
Travel		29,438		88,094
Operating Expenses		3,860,307		23,071,183
OTHER INCOME (EXPENSES)				
Interest expenses		-		(6,756)
Foreign exchange loss		(147,659)		(26,209)
Gain on sale of Subsidiaries (Note 23)		2,159,723		-
Gain on fair value of investments (Note 23)		187,500		-
Other income		67,988		15,019
NET LOSS BEFORE INCOME TAXES		(925,044)		(22,111,099)
TAXES				
Income tax expense (Note 18)		(82,913)		-
Deferred tax expense (Note 18)		-		(36,465)
		(82,913)		(36,465)
NET LOSS AND COMPREHENSIVE LOSS		(1,007,957)		(22,147,564)
Basic and diluted loss per share (Note 25)	$	(0.26)	$	(5.76)
Weighted average number of shares outstanding (basic and diluted) (Note 25)		3,868,824		3,840,550

The accompanying notes are integral to these consolidated financial statements

NETCOINS HOLDINGS INC. (FORMERLY GAR LIMITED)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in Canadian Dollars)

		Year ended December 31, 2019		Year ended December 31, 2018
Cash Flows from (used in) Operating Activities				
Net loss and comprehensive loss	$	(1,007,957)	$	(22,147,564)
Adjustments for items not affecting cash				
Accretion on lease liability (Note 12)		23,363		-
Bad debt expense		123,088		-
Depreciation expense – property, plant and equipment (Note 11)		19,827		34,788
Depreciation expense – right of use (Note 12)		81,419		-
Interest expense		-		6,756
Share-based payments (Note 17)		699,721		3,142,119
Listing expense		-		16,121,221
Unrealized fair value gain on cryptocurrency inventory		(47,694)		(92,274)
Income tax expense (Note 18)		78,158		
Deferred tax (Note 18)		-		36,465
Gain on sale of Subsidiaries (Note 23)		(2,159,723)		-
Gain on fair value of investments (Note 23)		(187,500)		-
		(2,377,298)		(2,898,489)
Changes in non-cash working capital:				
Cryptocurrency inventory		(68,373)		70,638
Trade and other receivables		(227,845)		442,201
Prepaid expenses		(34,782)		388,606
Trade and other payables		32,624		(297,586)
Due to related party		-		(138,700)
Customer deposits		(46,827)		401,895
		(2,722,501)		(2,031,435)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment (Note 11)		(668)		(141,264)
Reverse takeover of GAR Limited		-		5,742,999
		(668)		5,601,735
Cash Flows (used in) from Financing Activities				
Cash disposed of in sale of subsidiaries (Note 23)		(841,941)		-
Payment of lease liabilities (Note 12)		(99,212)		-
Proceeds from warrant exercises (Note 16)		-		1,522,005
Share issuance cost		-		(254,663)
		(941,153)		1,267,342
Changes in cash and cash equivalents during the year		(3,664,322)		4,837,641
Cash and cash equivalents – Beginning of year		5,598,712		761,071
Cash and cash equivalents – End of year	$	1,934,390	$	5,598,712

Supplemental Information (Note 21)

NETCOINS HOLDINGS INC. (FORMERLY GAR LIMITED)
CONSOLIDATED STATEMENTS OF CHANGES OF SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

(Expressed in Canadian Dollars, except number of shares)

	Common Shares					
	Number of Shares	Amount	Contributed Surplus	Reserves	Deficit	Total
Balance – December 31, 2017	40	$ 1	$ -	$ 35,848	$ (115,891)	$ (80,042)
Net loss for the year	-	-	-	-	(22,147,564)	(22,147,564)
Shares issued for:						
Conversion of convertible debentures (Note 14)	1,000,000	535,848	-	(35,848)	-	500,000
Exercise of warrants (Note 15)	1,108,804	1,522,005	760,511	(760,511)	-	1,522,005
Restricted share units (Note 15)	40,000	150,000	-	61,813	-	211,813
Vendors' shares (Note 6)	114,288	1,000,000	-	-	-	1,000,000
Reverse acquisition (Note 6)	2,353,497	17,500,000	-	2,209,852	-	19,709,852
Finders' fee shares (Note 15)	200,000	1,750,000	-	-	-	1,750,000
Netcoins Class A shares exchanged (Note 6)	(40)	(1)	-	-	-	(1)
Issuance of stock options (Note 17)	-	-	-	2,930,265	-	2,930,265
Share issuance cost	-	(254,663)	-	-	-	(254,663)
Balance – December 31, 2018	4,816,589	22,203,190	760,511	4,441,419	(22,263,455)	5,141,665
Net loss for the year	-	-	-		(1,007,957)	(1,007,958)
Adoption of IFRS 16 (Note 3)	-	-	-	-	(12,241)	(12,241)
Vesting of stock options (Note 17)	-	-	-	494,657	-	494,657
Cancellation of options (Note 17)	-	-	-	116,879	-	116,879
Shares issued for:						
Restricted share units (Note 15)	40,000	150,000	-	(61,813)	-	88,187
Distribution of Purchaser's shares (Note 23)	-	-	-	-	(3,000,000)	(3,000,000)
Balance – December 31, 2019	4,856,589	$ 22,353,190	$ 760,511	$ 4,991,142	$ (26,283,653)	$ 1,821,189

1. General Information

Netcoins Holdings Inc. (formerly GAR Limited) ("GAR" or the "Company") was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). These consolidated 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 rather than through a process of forced liquidation.

GAR is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "NETC". The Company's head office is 800 West Pender Street, Suite 1430, Vancouver, BC, V6C 2V6, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

Reverse Takeover

On March 9, 2018, the Company completed the acquisition of Netcoins Inc. ("Netcoins"), a private British Columbia corporation incorporated on July 8, 2014. Netcoins develops and markets software that enable the efficient purchasing of Bitcoin and uses its software to purchase and sell Bitcoin to customers. The Company acquired all of the issued and outstanding shares of Netcoins under a share purchase agreement (the "Reverse Takeover Transaction", the "Transaction", or the "RTO"). In connection to the Transaction, the Company is doing business under the business name "Netcoins Holdings Inc." and operating the primary business of Netcoins.

On the closing of the RTO, Netcoins became a wholly-owned subsidiary of the Company. As Netcoins is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on July 8, 2014 are included in the consolidated financial statements at their historical carrying value.

The Company's results of operations are included from March 9, 2018 onwards, the closing date. Please refer to the Reverse Acquisition (Note 6) for more details.

Disposal of Subsidiaries

On May 27, 2019, the Company announced it entered into a share purchase agreement with an unrelated third party (the "Purchaser") regarding the sale of Netcoins Inc., NTC Holdings Corp. and NTC Holdings USA Corp. (collectively, the "Subsidiaries").

Please refer to the Disposal of Subsidiaries (Note 23) for more details.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has already affected workforces, economies and financial markets globally, potentially leading to an economic downturn. Other than the pandemic delaying the Company's plans for investments, the Company's business and results of operations were not materially affected by the pandemic.

2. Going Concern

These consolidated financial statements have been prepared by management on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. To date, the Company has not attained profitable operations.

For the year ended December 31, 2019, the Company incurred a net loss of $1,007,957, working capital of $1,820,397 has an accumulated deficit of $26,283,654, and negative cash flow from operations $2,722,501. The Company's ability to continue as a going concern is dependent upon its ability to achieve and maintain profitable operations and to generate funds therefrom.

2. Going Concern (continued)

These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

3. Basis of Preparation

a. Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on July 15, 2020.

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b. Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Canadian entity is in Canadian dollars.

c. Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The following subsidiaries have been consolidated until July 31, 2019 (Note 23); thereafter, the Company deconsolidated these subsidiaries as it no longer has control over them:

Subsidiary	Ownership	Location	Functional Currency
Netcoins Inc.	100%	Canada	CAD
NTC Holdings Corp.	100%	Canada	CAD
NTC Holdings USA Corp.	100%	USA	CAD

All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

d. Adoption of IFRS 16

The Company adopted IFRS 16, Leases ("IFRS 16") on January 1, 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

(Expressed in Canadian Dollars, except per share amounts)

3. Basis of Preparation (continued)

d. *Adoption of IFRS 16* (continued)

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4, Determining Whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company adopted IFRS 16 using the modified retrospective approach. As such, the comparative information presented for 2018 has not been restated; instead, the Company recognized the cumulative effect of initially applying IFRS 16 as an adjustment to the opening deficit balance at January 1, 2019.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after January 1, 2019.

On transition to IFRS 16, the Company recognized right-of-use assets and lease liabilities for its leases, resulting in an increase to right-of-use asset of $254,433 at January 1, 2019. A corresponding lease liability was recognized for $266,674 and decrease in deficit was recognized for $12,241 Both right-of-use assets and lease liabilities were disposed when the Company sold its subsidiaries (Note 23).

Operating lease commitments as at December 31, 2018	$	312,145
Undiscounted lease payments		312,145
Effect of discounting using the incremental borrowing rate (15%) as at the date of initial adoption		(45,471)
Lease liability recognized at January 1, 2019	$	266,674

The impact of adopting IFRS 16 on the Company's consolidated statement of financial position as at January 1, 2019 was as follows:

Right-of-Use Asset	$	254,433
Retained Earnings	$	12,241
Lease Liability	$	(266,674)

Subsequent to the disposal of its subsidiaries, the Company does not have leases as at December 31, 2019.

4. Significant Accounting Policies

(i) Cash and Cash Equivalents

Cash and cash equivalents consists of amounts held in current bank accounts and Bitstamp.

(ii) Revenue Recognition

IFRS 15 provides a comprehensive five-step revenue recognition model for all contracts with customers. IFRS 15 revenue recognition model requires the Company to exercise significant judgment and make estimates that affect revenue recognition and is based on the principle that revenue is recognized when control of good or service transfers to a customer.

4. Significant Accounting Policies (continued)

(ii) *Revenue Recognition* (continued)

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue, at a point in time or over time, the assessment of which requires judgment. The model features the following contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized:

1. Identifying the contract with a customer;
2. Identifying the performance obligation(s) in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligation(s) in the contract, and
5. Recognizing revenue when or as the Company satisfies the performance obligation(s).

Revenue from cryptocurrency sale transactions are recognized based on the gross proceeds received from the customer or receivable from vendors acting on behalf of the Company. Revenue is recognized at the time of transfer of control over the cryptocurrency, which is when the cryptocurrency is credited to the customer's virtual wallet. Proceeds collected by vendors on behalf of the Company are typically settled within 1 to 15 days.

Listing revenues are recognized monthly or annually from companies wanting to list their digital asset on the Company's platform when performance obligation is satisfied, based on the agreed upon invoiced amount.

(iii) *Cryptocurrency Inventory*

Cryptocurrencies held for sale in the ordinary course of business are measured at fair value determined by reference to quoted prices published by bitcoin exchange brokers, with charges in fair value recorded in profit or loss.

(iv) *Cost of Sales*

Cryptocurrency purchases are measured based on the price paid by the Company in fiat to purchase cryptocurrency from cryptocurrency exchanges.

(v) *Property, Plant and Equipment*

Equipment is measured at cost, less accumulated depreciation and accumulated impairment losses. Cost included expenditures that are directly attributable to bring an asset to productive use at its intended location. Additions are depreciated commencing in the month that they are available for use. The cost of repairs and maintenance is expensed as incurred.

Depreciation is provided on a straight-line method over the estimated useful lives of assets. Upon sale or disposition of a depreciable asset, cost and accumulated depreciation are removed from equipment and any gain or loss is reflected as a gain or loss from operations. Equipment is depreciated over 3 years.

Leasehold improvements are depreciated on a straight-line method over the term of the lease, which is 3 years.

An asset's depreciation method, useful life and residual value are reviewed at the end of each reporting period and adjusted prospectively if appropriate.

4. Significant Accounting Policies (continued)

(vi) Share-Based Payments

Share-based payments to officers, directors and consultants are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed in profit or loss. The corresponding amount is recorded to reserves. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

When the terms of a share-based payment are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

(vii) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. Significant Accounting Policies (continued)

(viii) Foreign Currency Translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates.

Transactions and Balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the consolidated statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains or losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve is equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

(ix) Fair Value Measurement

Where fair value is used to measure assets and liabilities in preparing these financial statements, it is estimated at the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 - Inputs for the asset or liability that are unobservable

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:,

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants acts in their economic best interest.

4. Significant Accounting Policies (continued)

(x) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the consolidated statements of loss and comprehensive loss.

Financial Assets
On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit and loss ("FVTPL"). The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	Subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognized in the consolidated statements of loss and comprehensive loss.
Financial assets at amortized cost	Subsequently measured at amortized cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains or losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in the consolidated statements of loss and comprehensive loss.

Financial Liabilities
The Company initially recognizes financial liabilities at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company classifies its financial liabilities as either financial liabilities at FVTPL or amortized cost.

Subsequent to initial recognition, other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at FVTPL are stated at fair value with changes being recognized in the consolidated statements of loss and comprehensive loss. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

4. Significant Accounting Policies (continued)

(x) *Financial Instruments* (continued)

Financial Liabilities and Equity Instruments
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, issue or cancellation of the Company's own equity instruments.

Classification of Financial Instruments
The Company classifies its financial assets and liabilities as outlined below:

	At December 31, 2019
Cash and cash equivalents	Amortized cost
Other receivables	Amortized cost
Trade and other payables	Amortized cost

(xiv) *Impairment of Financial Assets*

Financial Assets
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(xv) *Impairment of Non-Financial Assets*

The Company performs impairment tests on its long-lived assets, including property, plant and equipment when new events or circumstances occur, or when new information becomes available relating to their recoverability. When the recoverable amount of each separately identifiable asset or cash generating unit ("CGU") is less than its carrying value, the asset or CGU's assets are written down to their recoverable amount with the impairment loss charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss if there is a significant reversal of the circumstances that caused the original impairment. The impairment will be reversed up to the amount of depreciated carrying value that would have otherwise occurred if the impairment loss had not occurred.

4. Significant Accounting Policies (continued)

(xv) *Impairment of Non-Financial Assets* (continued)

The CGU's recoverable amount is evaluated using fair value less costs of disposal calculations. In calculating the recoverable amount, the Company utilizes discounted cash flow techniques to determine fair value when it is not possible to determine fair value when active markets or a written offer to purchase. Management calculates the discounted cash flows based upon its best estimate of a number of economic, operating, engineering, environmental, political and social assumptions. Any changes in the assumptions due to changing circumstances may affect the calculation of the recoverable amount.

(xvi) Loss per Share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

The number of additional shares is calculated by assuming that outstanding stock options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(xvii) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(xviii) Segment Reporting

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one operating segment.

(xix) Right-Of-Use Assets and Lease Liability

The Company has applied IFRS 16, Leases, as at January 1, 2019. The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrow rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect he lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less deprecation and any impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

4. Significant Accounting Policies (continued)

(xx) Dividends

IFRSs do not provide guidance on how an entity should measure distributions to its owners (commonly referred to as dividends). IAS1 requires an entity to present details of dividends recognized as distributions to owners either in the consolidated statement of changes in shareholders' equity or in the notes to the consolidated financial statements.

In August 2019, the Company distributed all 37,500,000 Purchaser's shares from the sale of its subsidiaries to its shareholders as a non-cash dividend. The dividend was measured at the fair value of the Purchaser's shares at $0.08. The difference between the fair value of the shares and their carrying amount is presented in the consolidated statement of loss and comprehensive loss as other income.

(xxi) Disposal of Subsidiaries

When the Company losses control over a subsidiary, it:

- Derecognizes the assets and liabilities of the subsidiary;
- Derecognizes the translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes any surplus or deficit in the consolidated statement of loss and comprehensive loss;
- Reclassifies the parent's share of components previously recognized as OCI to the consolidated statement of loss and comprehensive loss, as appropriate, as would be required of the Company had directly disposed of the related assets or liabilities.

(xxii) IFRIC 23 – Uncertainty over Income Tax Treatment

- In June 2017, the International Accounting Standards Board (IASB) issued a new International Financial Reporting Interpretation IFRIC) interpretation to specify how to reflect the effects of uncertainty in accounting for income taxes. IAS 12 Income Taxes provides requirements on the recognition and measurement of current or deferred income tax liabilities and assets. However, it does not provide a specific requirement for the accounting for income tax when the application of tax law to a particular transaction or circumstance is uncertain. As a result, the interpretation aims to reduce the diversity in how entities recognize and measure a tax liability or tax asset when there is uncertainty over income tax treatments. The new interpretation is effective for annual periods beginning on or after January 1, 2019. Management has concluded that there is no impact on the adoption of this guidance because there is no significant uncertainty in accounting for income taxes of the Company.

5. Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets and liabilities at the reporting date and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of its financial statements.

5. Critical Accounting Estimates and Judgments (continued)

Areas of judgment

(i) Revenue Recognition

In recognizing revenue, the Company determines if it acts as a principal in executing transactions with third parties, judgment is required to determine if the Company is acting as the principal or an agent in order to determine if revenue should be recognized on a gross or net basis for cryptocurrency sales and purchases.

(ii) Going Concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern. Further disclosure is included in Note 2.

(iii) Deferred Tax Asset

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

Assumptions and critical estimates

(i) Determination of Fair Values

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company will engage third party qualified specialist to perform the valuation.

(ii) Depreciation of Property, Plant and Equipment

Depreciation of equipment and leasehold improvements is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of market and economic factors.

(iii) Fair Value of Cryptocurrency Inventory

At present, there is limited guidance in IFRS on the recognition and measurement of cryptocurrency inventory. Cryptocurrency inventory is measured at fair value using the quoted price on www.coinmarketcap.com.

Management considers this fair value to be a level two input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. The cryptocurrency inventory are valued based on the closing price obtained from www.coinmarketcap.com at the reporting period. The Company is relying on the data available at www.coinmarketcap.com to be an accurate representation of the closing price for the cryptocurrency inventory.

5. **Critical Accounting Estimates and Judgments (continued)**

(iv) Tax Assets and Liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

(iv) Share-Based Payments

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however, the most significant estimate is the volatility

(v) Impairment of Non-Financial Assets

The assessment of any impairment of non-financial assets is dependent upon estimates of recoverable amount that take into account factors such as economic and market conditions, the useful lives of assets, definition of the CGU and estimates used to measure impairment losses. The recoverable value of these assets is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

(vi) Leases

The application of IFRS 16 Leases requires assumptions and estimates in order to determine the value of the right-of-use assets and the lease liabilities. Judgment must be applied when determining the implicit and incremental rates of borrowing, as applicable. Judgment must also be applied as to whether renewal options are reasonably certain of being exercised and whether periods covered by an option to terminate are reasonably certain of not being exercised.

(vii) Impairment of Financial Assets

An expected credit loss ("ECL") model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of other receivables. In determining the ECLs management makes estimates related to the probability-weighted amount of ECLs based on a range of outcomes, the discount rate that reflects the effective interest rate of the asset and other information available as of the reporting date relating to past events, current conditions and forecasts regarding future economic conditions.

6. Reverse Acquisition

On March 9, 2018, pursuant to the terms of the share purchase agreement (the "Agreement") the Company and Netcoins completed an acquisition, whereby the Company acquired all of the issued and outstanding share capital of the Netcoins, being 2,114,285 common shares, as a means by which the Company will attain a public listing of its common shares.

Pursuant to the Share Purchase Agreement:

- In consideration for the acquisition of all of the Class A Shares, GAR (i) paid to the Class A shareholders pro rata in proportion to their holdings of Netcoins Class A Shares, an aggregate of $4,000,000, and (ii) issued from treasury to the Class A shareholders pro rata in proportion to their holdings of Class A shares, an aggregate of 114,285 common shares at a deemed price of $8.75 per share in the equity of GAR, free and clear of any encumbrances.

- In consideration for the acquisition of the Netcoins Class B shares, GAR issued from treasury to the Class B shareholders one common share in the equity of GAR for each Netcoins Class B share held, free and clear of any encumbrances for a total of 2,000,000 Class B shares.

- At the time of closing of the Transaction, each of the holders of Class B Warrants disposed of their respective right to acquire Netcoins Class B shares under the outstanding Class B Warrants held by such warrant holders at that time and those outstanding Class B Warrants were deemed immediately cancelled. In consideration for the disposition by a Class B Warrant holder of each right to acquire one Netcoins Class B share pursuant to a Class B Warrant, the Class B Warrant holder received the right to acquire one common share of GAR (each a "Replacement Warrant" and collectively, the "Replacement Warrants"), rounded down to the nearest whole number of common shares. The exercise price under each Replacement Warrant equaled to the exercise price of the particular Class B Warrant that was cancelled in consideration for such Replacement Warrant.

- As a result of the Transaction, GAR issued an aggregate of 2,114,285 GAR common shares to Netcoins shareholders. At the completion of the Transaction, 4,667,782 GAR common shares were outstanding.

- At the closing Transaction, the shareholders of Netcoins hold 45.3% of GAR. Accordingly, Netcoins is considered to have acquired GAR with the transaction being accounted for as a reverse takeover of GAR by Netcoins shareholders (the "RTO").

The acquisition constitutes an asset acquisition as the Company did not met the definition of a business, as defined in IFRS 3, Business Combinations. Additionally, as a result of the RTO, the consolidated statement of financial position has been adjusted for the elimination of the Company share capital, contributed surplus and accumulated deficit within shareholders' equity.

As a result of this asset acquisition, a listing expense of $16,121,221 has been recorded. This reflects the difference between the estimated fair value of Netcoins shares deemed to have been issued to the Company's shareholders less the fair value of the net assets of the Company's acquired.

(Expressed in Canadian Dollars, except per share amounts)

6. Reverse Acquisition (continued)

The preliminary allocation of estimated consideration transferred is subject to change and is summarized as follows:

Purchase Price		
2,114,285 common shares of GAR Limited	$	18,500,000
351,954 warrants of GAR Limited		2,209,852
200,000 finders' fee shares		1,750,000
Cash payment		4,000,000
Total Purchase Price	$	26,459,852

Allocation of Purchase Price		
Cash		9,742,999
Prepaid expenses and other current assets		922,782
Accounts payables and accrued liabilities		(327,150)
Listing expenses		16,121,221
	$	26,459,852

7. Cash and Cash Equivalents

		December 31, 2019		**December 31, 2018**
Cash held with banks	$	1,934,390	$	5,598,712
	$	1,934,390	$	5,598,712

8. Trade and Other Receivables

		December 31, 2019		**December 31, 2018**
Trade receivables	$	-	$	34,529
GST receivable	$	266,815		161,611
	$	266,815	$	196,140

As at December 31, 2019 and December 31, 2018, the Company's trade receivables are current and no ECL provision was considered necessary.

9. Prepaid Expenses

		December 31, 2019		**December 31, 2018**
Deposits	$	-	$	6,988
Prepaid expenses		65,355		31,786
	$	65,355	$	38,775

(Expressed in Canadian Dollars, except per share amounts)

10. Cryptocurrency Inventory

	December 31, 2019	December 31, 2018
Autonio	-	52
Bitcoins	-	26,214
Cloakcoins	-	13
Elastos	-	6
EOS	-	39
Ethereum	-	5,824
Komodo	-	51
Litecoin	-	852
Myraid	-	1
Paretos	-	3,973
Peerplays	-	4
Steem	-	3
Niostellar	-	29
XRP	-	1,647
	$ -	$ 38,708

The fair value of cryptocurrency inventory at each reporting period is determined by taking the rate from www.coinmarketcap.com.

During the year ended December 31, 2019, the total cost of cryptocurrency inventory sold was $43,000,722 (2018 - $57,492,627).

(Expressed in Canadian Dollars, except per share amounts)

11. Property, Plant and Equipment

		Equipment		Leasehold Improvements		Total
COST						
Balance as at January 1, 2018	$	-	$	-	$	-
Additions		22,418		118,846		141,264
Balance as at December 31, 2018	$	22,418	$	118,846	$	141,264
DEPRECIATION						
Balance as at January 1, 2018	$	-	$	-	$	-
Depreciation for the year		4,884	$	29,904	$	34,788
Balance as at December 31, 2018		4,884		29,904		34,788
Net book value at December 31, 2018	$	17,534	$	88,942	$	106,476
COST						
Balance as at December 31, 2018	$	22,418	$	118,846	$	141,264
Additions		669		-		669
Disposal of assets		(21,410)		(118,846)		(140,256)
Balance as at December 31, 2019		1,677		-		1,677
DEPRECIATION						
Balance as at December 31, 2018		4,884		29,904		34,788
Depreciation for the year		3,438		16,389		19,827
Disposal of assets		(7,437)		(46,293)		(53,730)
Balance as at December 31, 2019		885		-		885
Net book value at December 31, 2019		792		-		792

12. Leases

a. *Lease Liability*

Balance as at December 31, 2018	$	-
Adoption of IFRS 16 (Note 3)		266,674
Payments		(99,212)
Accretion expense		23,636
Balance as at July 31, 2019		190,825
Disposal		(190,825)
Balance as at December 31, 2019	$	-

(Expressed in Canadian Dollars, except per share amounts)

12. Leases (continued)

b. Right-of-Use Asset

Balance as at December 31, 2018	$	-
Adoption of IFRS 16 (Note 3)		254,433
Depreciation		(81,419)
Balance as at July 31, 2019		173,014
Disposal (Note 23)		(173,014)
Balance as at December 31, 2019	$	-

13. Trade and Other Payables

		December 31, 2019		December 31, 2018
Taxes payable	$	48,263	$	48,262
Trade payables		319,742		325,524
	$	368,005	$	373,786

Trade and other payables comprise primarily of trade payables incurred in the normal course of business. Included in trade payables are amounts total $590 (December 31, 2018 - $92,484) due to related parties (see note 26).

14. Convertible Debentures

On October 13, 2017, the Company issued 1,000,000 convertible debenture units (the “Debenture Units”) for gross proceeds of $500,000. Each Debenture Unit is convertible into a unit of the Company (the “Netcoins Units”) at a conversion price of $0.50 per Debenture Unit. Each Netcoins Unit consists of one Class B share of the Company and one share purchase warrant to purchase one Class B share (“Class B Warrant”). Each Class B Warrant entitles the holder to acquire an additional Class B share at an exercise price of $1.25 per share for a period of 3 years.

The Debenture Unit was determined to meet the definition of a compound financial instrument required to assign a fair value to the debt component with any residual amount recorded to the equity component or conversion feature. The conversion feature value has been determined to be $35,848. The borrowing amount represents the debt component of the Debenture Unit, without the conversion option, recorded at its amortized cost, using a discount rate of 28%, at December 31, 2017.

During the year ended December 31, 2018, Netcoins converted the Debenture Units into 1,000,000 Class B shares of the Netcoins. In addition, 1,000,000 Class B Warrants were converted into Class B shares for gross proceeds of $1,250,000. As part of the share purchase agreement, all Class B shares were exchanged for public company shares on closing of the RTO (see note 6). As at December 31, 2018, there are no Debentures Units outstanding.

15. Share Capital

a. Authorized Share Capital

The Company is authorized to issue unlimited number of common shares without par value. At December 31, 2019, the Company had 4,856,589 (December 31, 2018 – 4,816,589) common shares outstanding.

b. Issued Share Capital

In November 2019, the Company completed a consolidation of its authorized and issued common shares on the basis of one post-consolidated common share for every twenty-five pre-consolidation common shares. All references to shares, per share amounts, warrants and options in these financial statements have been retroactively restated to reflect the share consolidation.

In April 2019, the Company issued 40,000 common shares to Restricted Share Unit ("RSU") holders upon the vesting of the remaining RSUs.

During the year ended December 31, 2018, the Company issued common shares as follows:

- On October 26, 2018, 2,000 issued RSU shares were returned to treasury.
- On October 23, 2018, the Company issued 42,000 common shares to RSU holders upon the vesting of RSU.
- On October 9, 2018, the Company issued 40,000 common shares to warrant holders who exercised their warrants in return for gross proceeds of $100,000.
- On October 3, 2018, the Company issued 20,815 common shares to warrant holders who exercised their warrants in return for gross proceeds of $52,039.
- On August 7, 2018, the Company issued 10,500 common shares to warrant holders who exercised their warrants in return for gross proceeds of $26,250.
- On July 30, 2018, the Company issued 37,486 common shares to warrant holders who exercised their warrants in return for gross proceeds of $93,716.
- On March 9, 2018, 2,353,497 common shares of the Company were deemed to have been issued on completion of the RTO. The fair value of the 2,353,497 deemed to have been issued in the amount of $17,500,000 was determined using a fair value of $8.75 per share.
- In connection with the closing of the RTO, the Company issued an aggregate of 200,000 common shares to an arms' length third party as a finder's fee. The fair value of services is $1,750,000.
- In connection with the closing of the RTO, the Company issued 114,285 of common shares, at a value of $1,000,000 or $8.75 per share, to vendors of Netcoins.
- On January 30, 2018, the Company issued 1,000,000 Class B shares on conversion of the Debenture Units (see note 6). The Company also issued 1,000,000 Class B shares on exercise of Class B share purchase warrants for gross proceeds of $1,250,000. In connection with the closing of the RTO, all Class B shares were exchanged for common shares of the Company.

b. Restricted Share Units

Pursuant to the Company's fixed RSU plan, the Company awarded a total of 80,000 RSUs to certain directors, officers and employees in October 2018. 50% of the awarded RSUs vested immediately and the remaining 50% vested on April 17, 2019. The shares awarded pursuant to the RSUs are equity settled and based on the fair value at date of grant.

(Expressed in Canadian Dollars, except per share amounts)

16. Warrants

Details regarding share purchase warrants issued and outstanding are summarized as follows:

		Weighted Average exercise price	Number of shares issued or issuable on exercise
Balance – December 31, 2017	$	-	-
Issuance of warrants on RTO (Note 6)	$	2.50	280,000
Issuance of warrants on RTO (Note 6)	$	8.75	71,942
Exercise of warrants (Note 14)	$	2.50	(108,801)
Expiry of warrants	$	8.75	(71,942)
Balance – December 31, 2018	$	2.50	171,199
Expiry of warrants	$	2.50	(171,199)
Balance – December 31, 2019	$	-	-

On March 9, 2018, pursuant the RTO all issued and outstanding share purchase warrants of 351,942 were cancelled and share purchase warrants of 351,942 were issued as replacements. Under IFRS 2 'Share-based payment', the cancellation and reissuance was considered a modification of the terms and conditions on which the equity instrument were granted. As such, the Company is required to recognize the effects of modification that increases the total fair value of the share-based payment arrangements or are otherwise beneficial to the option holders. The incremental fair value was $2,209,852 for warrants in conjunction to the RTO.

The fair value of the share purchase warrants has been estimated using the Black-Scholes Option Pricing Model assuming a share price range of $2.50 - $8.75, a risk-free interest rate of 1.61% - 4.55%, an expected life of 1 to 2 years, an expected volatility of 120% and no expected dividends. The expected volatility was determined using the average historical volatility of similar entities that are publicly listed on the basis that the Company has limited historical information.

During the year ended December 31, 2019, all issued and outstanding warrants expired unexercised.

17. Stock Options

The Company adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time.

The changes in stock options outstanding are summarized as follows:

(Expressed in Canadian Dollars, except per share amounts)

17. Stock Options (continued)

		Weighted Average exercise price	Number of Options outstanding	
Balance – December 31, 2017	$	-	-	$
Stock options granted	$	8.00	466,400	
Stock options forfeited	$	6.25	(7,400)	
Balance – December 31, 2018	$	8.00	459.000	
Stock options cancelled	$	7.88	(404,629)	
Balance – December 31, 2019	$	8.75	54,371	$

In March 2018, the Company granted 390,800 stock options to employees, consultants, and directors. The options may be exercised within 5 years from the date of grant at a price of $8.75 per share and have vesting periods ranging from 0 to 2 years.

In May 2018, the Company granted 27,600 stock options to employees, consultants and directors. The options may be exercised within 5 years from the date of grant at a price of $6.25 per share and have vesting periods ranging from 0 to 2 years. 7,400 options were forfeited during the year.

In July 2018, the Company granted 48,000 stock options to employees and directors. The options may be exercised within 5 years from the date of grant at a price of $2.50 per share and have vesting periods ranging from 0 to 2 years.

The fair value of stock options at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a share price range of $1.75 to $8.75, a risk-free interest rate of 1.41% - 2.11% per annum, an expected life of options of 5 years, an expected volatility of 120%, and no expected dividends.

On July 31, 2019, the Company cancelled majority of the outstanding options due to the sale of its subsidiaries; as such, the Company is accelerated recognition of the unvested amounts for a total of $116,879.

The Company recorded a total of $699,722 (2018 - $3,142,079) in share-based expenses for the year ended December 31, 2019.

(Expressed in Canadian Dollars, except per share amounts)

17. Stock Options (continued)

Stock options outstanding and exercisable December 31, 2019 are summarized as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
$0.35	54,371	3.20	$8.75	54,371	$8.75

Stock options outstanding and exercisable December 31, 2018 are summarized as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
$8.75	390,800	4.20	$8.75	195,400	$8.75
$6.25	20,200	4.36	$6.25	10,800	$6.25
$2.50	48,000	4.52	$2.50	12,000	$2.50
	459,000	4.49	$8.00	218,200	$8.25

18. Income Taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statement of loss and comprehensive loss:

		December 31, 2019		December 31, 2018
Loss before income tax	$	(925,045)	$	(22,111,099)
Statutory income tax rate		27%		27%
Expected income tax recovery		(249,762)		(5,969,997)
Non-deductible expenses		221,281		5,203,089
Tax effect of debt forgiveness		855,263		-
Tax effect on disposition of subsidiaries		(4,274,799)		-
Non-taxable portion of capital gain		(25,294)		-
Change in estimate		23,261		28,823
Change in enacted tax rate		-		(18,800)
Other		33,159		(58,431)
Deferred tax asset not recognized		3,495,050		851,780
Total income tax expense	$	78,158	$	36,464

(Expressed in Canadian Dollars, except per share amounts)

18. Income Taxes (continued)

		December 31, 2019		December 31, 2018
Current tax expense (recovery)	$	78,158	$	-
Deferred tax expense (recovery)		-		36,464
Total tax expense (recovery)	$	78,158	$	36,464

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Details of deferred tax assets (liabilities) are as follows:

		December 31, 2019		December 31, 2018
Foreign exchange	$	-	$	(36,464)
Net deferred tax assets (liabilities)	$	-	$	(36,464)

The unrecognized deductible temporary differences as at December 31, 2019 and December 31, 2018 is comprised of the following:

		December 31, 2019		December 31, 2018
Non-capital loss carry forward	$	4,872,580	$	5,489,122
Capital loss carry forward		14,112,267		-
Financing cost		318,356		668,219
Exploration and evaluation assets		644,700		789,540
Plant, property, equipment		416		20,662
Other items		682		-
Total unrecognized temporary differences	$	19,949,001		6,967,543

The Company has not recognized a deferred tax asset in respect of non-capital loss carry forward of approximately $4,872,580 (2018: $5,489,122) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

	$
Non-capital losses expire as follows:	
2036	93,879
2037	99,314
2038	3,155,414
2039	1,523,973
	4,872,580

(Expressed in Canadian Dollars, except per share amounts)

19. Capital Management

The Company manages its capital structure, consisting of share capital, and will make adjustments to it depending on the funds available to the Company for its future operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out its planned operations and pay for future general and administrative expenses, the Company expects to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the years ended December 31, 2019 and 2018.

20. Financial Instruments

The Company's financial assets and liabilities by category and information about financial assets and liabilities measured at fair value on a recurring basis in the consolidated statement of financial position are classified and measured as follows:

	Category		December 31, 2019		December 31, 2018
Financial Assets					
Cash and cash equivalents	Financial assets at amortized cost	$	1,934,390	$	5,598,712
Trade and other receivables	Financial assets at amortized cost	$	266,815	$	196,140
Financial Liabilities					
Trade and other payables	Financial liabilities at amortized cost	$	368,005	$	373,786

The Company's risk management policies are established to identify, analyze and manage the risks faced by the Company and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the Company's activities and to ensure applicability.

In the normal course of business, the main risks arising from the Company's use of financial instruments include credit risk, liquidity risk, price risk and currency risk. These risks, and the actions taken to manage them, include:

(a) Fair value

Due to the short-term nature of cash and cash equivalents, trade and other receivables, trade and other payables, the Company determined that the carrying amounts of these financial instruments approximate their fair value.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to cryptocurrency exchanges and from outstanding other receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. Credit risk associated with Bitcoin sale proceeds collected by vendors on behalf of the Company is limited as transactions are usually settled within 1 or 15 days. The Company assessed its credit risk to be low.

20. Financial Instruments (continued)

(b) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Liquidity risk is assessed as low.

(c) Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company previously was exposed to foreign currency risk through cash in banks and cash on deposit with fiat to cryptocurrency exchanges which are denominated in United States dollars (USD). As at December 31, 2019 the Company was not exposed to currency risk.

(d) Price risk

The Company's net income or loss, and financial condition were subject to price risk due to fluctuations of the following:

Commodity Price Risk
The profitability of the Company's was significantly affected by changes in prices of cryptocurrency. Cryptocurrency fluctuate on a daily basis and were affected by numerous factors beyond the Company's control. The supply and demand for crypto currency, investment decisions by large holders could all cause significant fluctuations in cryptocurrency prices. The Company is no longer exposed to commodity price risk after the sale of its subsidiaries.

21. Supplemental Cash Flow Information

The Company paid $82,913 in income taxes and received $20,088 for interest during the year ended December 31, 2019; the Company did not make any cash payments and had no cash receipts for interest or income taxes during the year ended December 31, 2018.

The acquisition of the GAR Limited (see note 6) is a non-cash transaction, whereby, 2,114,285 shares and 351,953 warrants at a price of $8.75 per share is exchanged as consideration for the net assets.

The disposition of the Subsidiaries (see Note 23) is a non-cash transaction, whereby, the Purchaser issued 37,500,000 of its own shares at a fair value of $0.075 per share as consideration for the net assets.

22. Segmented Information

The Company's operated a single business unit of cryptocurrency sales via its virtual ATMs prior to the sale of its Subsidiaries. The Company's primary business activities are located in Canada. All of the Company's assets, including head office, are located in Canada.

(Expressed in Canadian Dollars, except per share amounts)

23. Disposal of Subsidiaries

The Subsidiaries were sold on July 31, 2019 for a consideration of $2,812,500 in the form of 37,500,000 common shares of the Purchaser at a fair value of $0.075 per share. However, actual share price on disposal date was $0.08, as a result, the Company recorded a gain of $187,500 on the fair value of the shares, along with a gain of $2,159,723 on the disposal of Subsidiaries.

Details of Sale of Subsidiaries

		July 31, 2019
Consideration received:		
37,500,000 Purchasers' shares at $0.075	$	2,812,500
Carrying amount of net assets sold		(652,777)
Gain on sale of Subsidiaries	$	2,159,723

The carrying amounts of assets and liabilities as at the date of sale (July 31, 2019) were:

		July 31, 2019
Cash	$	841,941
Trade and other receivables		32,746
Cryptocurrency inventory		154,775
Prepaid expenses		8,202
Property, plant and equipment		86,526
Right-of-use asset		173,014
Total assets	$	1,297,204
Trade and other payables	$	(37,068)
Lease liability (Note 12)		(190,826)
Deferred revenue		(94,062)
Customer deposit		(286,005)
Deferred income taxes		(36,465)
Total liabilities	$	(644,427)
Net assets	$	652,777

In August 2019, the Company distributed all 37,500,000 Purchaser's common shares to its shareholders as dividend-in-kind at a fair-value share price of $0.08.

24. Revenue

	For the Year Ended			
	December 31, 2019		December 31, 2018	
Type of Revenue				
Buyback revenue	$	29,602,683	$	43,496,812
Private brokerages		13,776,521		14,860,426
	$	43,379,204	$	58,357,238

(Expressed in Canadian Dollars, except per share amounts)

25. Loss Per Share

The following table sets forth the computation of basic and diluted loss per share for the years ended December 31, 2019 and 2018:

		December 31, 2019		December 31, 2018
Numerator				
Net loss and comprehensive loss for the year	$	(1,007,958)	$	(22,147,564)
Denominator				
Basic – weighted average number of shares outstanding		3,868,824		3,840,550
Effect of dilutive securities		-		-
Diluted – adjusted weighted average number of shares outstanding		3,868,824		3,840,550
Loss per share – basic and diluted	$	(0.26)	$	(5.76)

Share purchase warrants and stock options were excluded from the calculation of diluted weighted average number of common shares outstanding during the years ended December 31, 2019 and 2018 as the warrants and stock options were anti-dilutive since the Company was in a loss position.

26. Related Party Transactions

During the year ended December 31, 2019 and 2018, the Company paid and/or accrued salaries, commissions, consulting and professional fees to key management personnel and directors:

		December 31, 2019		December 31, 2018
Management	$	864,864	$	952,838
Directors		291,193		273,377
	$	1,156,057	$	1,226,215

During the years ended December 31, 2019, the Company also had share-based payments made to management and directors of $226,566 (2018 - $1,333,338) and $17,429 (2018 - $94,823), respectively.

During the year ended December 31, 2019, the Company purchased $472,603 (2018 - $356,516) worth of Bitcoins from a company with common management, respectively.

Due to Related Parties

As at December 31, 2019 and December 31, 2018, the Company has the following amounts due to related parties:

		December 31, 2019		December 31, 2018
Accounts payable and accrued liabilities	$	590	$	92,484
	$	590	$	92,484

27. Subsequent Events

In February 2020, the Company entered into a letter of intent for the purposes of an investment into Black Swan Graphene Inc. ("Black Swan"), an unrelated party, where Black Swan is engaged in the research and development of graphene for industrial applications in the international bulk graphene market.

In February 2020, the Company entered into a loan agreement with an unrelated party (the "Borrower") for the amount of $100,000 with interest at 15% per annum and due upon demand. The Company and the Borrower agreed that accrued interest is payable in the shares of the Borrower at $0.20 per share. In addition, the Borrower agreed to issue warrants at a rate of 15% to the loan amount with each warrant exercisable into a common share of the Borrower at $0.20 per share.

In April 2020, the Company participated in a non-brokered private placement of an unrelated party (the "Offeror A") by subscribing for 1,000,000 units at a price of $0.35 per unit. Each unit consists of one common share of the Offeror A and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share of the Offeror at a price of $0.50 for a period of 12 months from the closing of the private placement.

Also in April 2020, the Company participated in another non-brokered private placement of another unrelated party (the "Offeror B") by subscribing for 2,400,000 units at a price of $0.25 per unit. Each unit consists of one common share of the Offeror B and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share of the Offeror B at a price of $0.25 for a period of 24 months from the closing of the private placement.

NETCOINS HOLDINGS INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Netcoins Holdings Inc.

Opinion

We have audited the consolidated financial statements of Netcoins Holdings Inc. (the "Company") which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of income (loss) and comprehensive income (loss), changes in cash flows and equity for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The consolidated financial statements of the Company as of December 31, 2019 and for the year then ended, which are presented for comparative purposes, were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on July 15, 2020.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
April 29, 2021

NETCOINS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020 AND 2019

(Expressed in Canadian Dollars)

		December 31, 2020		December 31, 2019
ASSETS				
Current Assets				
Cash and cash equivalents	$	164,729	$	1,934,390
GST receivable		-		266,815
Prepaid expenses		-		65,355
		164,729		2,266,560
Marketable securities (Note 7)		2,927,000		-
Equipment		233		792
Total Assets	$	3,091,962	$	2,267,352
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables (Note 8)	$	620,769	$	368,005
Income taxes payable (Note 12)		-		78,158
Total Liabilities		620,769		446,163
EQUITY				
Share capital (Note 9)		22,353,190		22,353,190
Contributed surplus		760,511		760,511
Reserves (Notes 10 and 11)		4,991,141		4,991,141
Deficit		(25,633,649)		(26,283,653)
		2,471,193		1,821,189
Total Liabilities and Equity	$	3,091,962	$	2,267,352

Going Concern (Note 2)
Subsequent Events (Note 20)

Approved on behalf of the Board of Directors

/s/ Kevin Ma	/s/ Desmond Balakrishnan
Kevin Ma, Director	Desmond Balakrishnan, Director

The accompanying notes are integral to these consolidated financial statements

NETCOINS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	December 31, 2020	December 31, 2019
REVENUE		
Cryptocurrency sales	$ -	$ 43,379,204
Cryptocurrency purchases	-	(43,035,168)
Gross Profit	-	344,036
Listing revenue	-	323,675
NET REVENUE	-	667,711
OPERATING EXPENSES		
Accretion expense	-	23,363
Marketing and advertising	39,221	43,837
Bad debts	306,854	123,088
Consulting fees (Note 19)	98,250	682,000
Depreciation	559	101,246
Office and administrative (Note 19)	458,114	1,365,369
Legal and professional fees (Note 19)	310,613	748,411
Share-based payments (Note 11)	-	699,722
Transfer agent and regulatory fees	29,961	43,833
Travel	48,329	29,438
Operating Expenses	1,291,901	3,860,307
OTHER INCOME (EXPENSES)		
Interest income (Note 6)	15,000	-
Foreign exchange gain (loss)	250	(147,659)
Gain on sale of subsidiaries (Note 17)	-	2,159,723
Gain on fair value of investments (Note 17)	-	187,500
Gain on sale of marketable securities	235,975	-
Gain on fair value of marketable securities (Note 7)	1,777,000	-
Other income	-	67,988
Write-off of deposit	(86,320)	-
Other Income	1,941,905	2,267,552
NET INCOME (LOSS) BEFORE INCOME TAXES	650,004	(925,044)
TAXES		
Income tax expense (Note 12)	-	(82,913)
	-	(82,913)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	$ 650,004	$ (1,007,957)
Basic and diluted earnings (loss) per share (Note 18)	$ 0.13	$ (0.26)
Weighted average number of shares outstanding (basic) (Note 18)	4,856,589	3,868,824
Weighted average number of shares outstanding (diluted) (Note 18)	4,910,960	3,868,824

NETCOINS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	December 31, 2020	December 31, 2019
Cash Flows (used in) Operating Activities		
Net income (loss)	$ 650,004	$ (1,007,957)
Adjustments for items not affecting cash		
Accretion on lease liability	-	23,363
Bad debt expense	306,854	123,088
Depreciation	559	19,827
Depreciation expense – right-of-use assets	-	81,419
Share-based payments (Note 11)	-	699,721
Unrealized fair value gain on cryptocurrency inventory	-	(47,694)
Gain on sale of subsidiaries (Note 17)	-	(2,159,723)
Gain on fair value of investments (Note 17)	-	(187,500)
Gain on sale of marketable securities	(235,975)	-
Gain on fair value of marketable securities (Note 7)	(1,777,000)	-
Interest income (Note 6)	(15,000)	-
Income tax expense	-	78,158
Write-off of deposit	86,320	-
	(984,238)	(2,377,298)
Changes in non-cash working capital:		
Cryptocurrency inventory	-	(68,373)
Trade and other receivables	(40,039)	(227,845)
Prepaid expenses	(20,965)	(34,782)
Trade and other payables	174,606	32,624
Customer deposits	-	(46,827)
	(870,636)	(2,722,501)
Cash Flows (used in) Investing Activities		
Purchase of marketable securities	(1,350,000)	-
Sale of marketable securities	550,975	-
Loan advanced (Note 6)	(100,000)	-
Purchase of equipment	-	(668)
	(899,025)	(668)
Cash Flows (used in) Financing Activities		
Cash disposed of in sale of subsidiaries	-	(841,941)
Payment of lease liabilities	-	(99,212)
	-	(941,153)
Changes in cash during the year	(1,769,661)	(3,664,322)
Cash and cash equivalents – Beginning of year	1,934,390	5,598,712
Cash and cash equivalents – End of year	$ 164,729	$ 1,934,390

Supplemental Information (Note 15)

NETCOINS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in Canadian Dollars, except number of shares)

	Common Shares										
	Number of Shares		Amount		Contributed Surplus		Reserves		Deficit		Total
Balance – December 31, 2018	4,816,589	$	22,203,190	$	760,511	$	4,441,419	$	(22,263,455)	$	5,141,665
Net loss for the year	-		-		-		-		(1,007,957)		(1,007,957)
Adoption of IFRS 16 (Note 3)	-		-		-		-		(12,241)		(12,241)
Vesting of stock options (Note 11)	-		-		-		494,656		-		494,657
Cancellation of options (Note 11)	-		-		-		116,879		-		116,879
Shares issued for:											
Restricted share units (Note 9)	40,000		150,000		-		(61,813)		-		88,187
Distribution of Purchaser's shares (Note 17)	-		-		-		-		(3,000,000)		(3,000,000)
Balance – December 31, 2019	4,856,589		22,353,190		760,511		4,991,141		(26,283,653)		1,821,189
Net income for the year	-		-		-		-		650,004		650,004
Balance – December 31, 2020	4,856,589	$	22,353,190	$	760,511	$	4,991,141	$	(25,633,649)	$	2,471,193

1. General Information

Netcoins Holdings Inc. ("NHI" or "Netcoins" or the "Company") was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). These consolidated 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 rather than through a process of forced liquidation.

Netcoins is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "NETC". The Company's head office is 800 West Pender Street, Suite 1430, Vancouver, BC, V6C 2V6, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

Disposal of Subsidiaries

On May 27, 2019, the Company announced it entered into a share purchase agreement with an unrelated third party (the "Purchaser") regarding the sale of Netcoins Inc., NTC Holdings Corp. and NTC Holdings USA Corp. (collectively, the "Subsidiaries").

Please refer to the Disposal of Subsidiaries (Note 17) for more details.

Covid-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has already affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. Other than the pandemic delaying the Company's plans for investments, the Company's business and results were not materially affected by the pandemic.

2. Going Concern

These consolidated financial statements have been prepared by management on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

For the year ended December 31, 2020, the Company had a working capital deficiency of $456,040, has an accumulated deficit of $25,633,649, and negative cash flow from operations of $870,636. The Company's ability to continue as a going concern is dependent upon its ability to achieve and maintain profitable operations and to generate funds therefrom. These factors cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

3. Basis of Preparation

a. Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 29, 2021.

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b. Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Canadian entity is in Canadian dollars.

c. Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The following subsidiaries were consolidated until July 31, 2019; thereafter, the Company deconsolidated these subsidiaries as it no longer has control over them:

Subsidiary	Ownership	Location	Currency
Netcoins Inc.	100%	Canada	CAD
NTC Holdings Corp.	100%	Canada	CAD
NTC Holdings USA Corp.	100%	USA	CAD

All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

4. Significant Accounting Policies

(i) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCL. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

4. Significant Accounting Policies (continued)

(i) Financial Instruments (continued)

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gain and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of operations and comprehensive income (loss) in the period in which they arise.

Impairment of financial assets at amortized cost
An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of operations and comprehensive income (loss).

(ii) Impairment of Non-Financial Assets

The Company performs impairment tests on its long-lived assets, including property, plant and equipment when new events or circumstances occur, or when new information becomes available relating to their recoverability. When the recoverable amount of each separately identifiable asset or cash generating unit ("CGU") is less than its carrying value, the asset or CGU's assets are written down to their recoverable amount with the impairment loss charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss if there is a significant reversal of the circumstances that caused the original impairment. The impairment will be reversed up to the amount of the depreciated carrying value that would have otherwise occurred if the impairment loss had not occurred.

The CGU's recoverable amount is evaluated using fair value less costs of disposal calculations. In calculating the recoverable amount, the Company utilizes discounted cash flow techniques to determine fair value when it is not possible to determine fair value when active markets or a written offer to purchase. Management calculates the discounted cash flows based upon its best estimate of a number of economic, operating, engineering, environmental, political and social assumptions. Any changes in the assumptions due to changing circumstances may affect the calculation of the recoverable amount.

4. Significant Accounting Policies (continued)

(iii) Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held in current bank accounts.

(iv) Revenue Recognition

IFRS 15 provides a comprehensive five-step revenue recognition model for all contracts with customers. IFRS 15 revenue recognition model requires the Company to exercise significant judgment and make estimates that affect revenue recognition and is based on the principle that revenue is recognized when control of good or service transfers to a customer.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue, at a point in time or over time, the assessment of which requires judgment. The model features the following contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized.

1. Identifying the contract with a customer;
2. Identifying the performance obligation(s) in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligation(s) in the contract, and
5. Recognizing revenue when or as the Company satisfies the performance obligation(s).

Revenue from cryptocurrency sale transactions are recognized based on the gross proceeds received from the customer or receivable from vendors acting on behalf of the Company. Revenue is recognized at the time of transfer of control over the cryptocurrency, which is when the cryptocurrency is credited to the customer's virtual wallet. Proceeds collected by vendors on behalf of the Company are typically settled within 1 to 15 days.

Listing revenues are recognized monthly or annually from companies wanting to list their digital asset on the Company's platform when performance obligation is satisfied, based on the agreed upon invoiced amount.

(v) Cryptocurrency Inventory

Cryptocurrencies held for sale in the ordinary course of business are measured at fair value determined by reference to quoted prices published by bitcoin exchange brokers, with charges in fair value recorded in profit or loss.

(vi) Cost of Sales

Cryptocurrency purchases are measured based on the price paid by the Company in fiat to purchase cryptocurrency from cryptocurrency exchanges.

(vii) Property, Plant and Equipment

Equipment is measured at cost, less accumulated depreciation and accumulated impairment losses. Cost included expenditures that are directly attributable to bring an asset to productive use at its intended location. Additions are depreciated commencing in the month that they are available for use. The cost of repairs and maintenance is expensed as incurred.

Depreciation is provided on a straight-line method over the estimated useful lives of assets. Upon sale or disposition of a depreciable asset, cost and accumulated depreciation are removed from equipment and any gain or loss is reflected as a gain or loss from operations. Equipment is depreciated over 3 years.

4. Significant Accounting Policies (continued)

(vii) Property, Plant and Equipment (continued)

Leasehold improvements are depreciated on a straight-line method over the term of the lease, which is 3 years.

An asset's depreciation method, useful life and residual value are reviewed at the end of each reporting period and adjusted prospectively if appropriate.

(viii) Share-Based Payments

Share-based payments to officers, directors and consultants are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options, as determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions, is expensed in profit or loss. The corresponding amount is recorded to reserves. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

When the terms of a share-based payment are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

(ix) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. Significant Accounting Policies (continued)

(x) Foreign Currency Translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains or losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company’s foreign currency translation reserve is equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

(xi) Fair Value Measurement

Where fair value is used to measure assets and liabilities in preparing these financial statements, it is estimated at the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 - Inputs for the asset or liability that are unobservable

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants acts in their economic best interest.

The Company holds marketable securities consisting of common shares and warrants held in public and non-public companies. At the end of each financial reporting period, the Company’s management estimates the fair value of its investments based on the criteria below and records such valuations in the consolidated financial statements. Warrants of non-public companies are valued using option pricing models when there are sufficient and reliable observable market inputs.

4. Significant Accounting Policies (continued)

(xi) Fair Value Measurement (continued)

Marketable securities are initially recorded at cost at the time of acquisition. At each reporting period thereafter, the fair value of an investment may, depending on circumstances, be adjusted by taking into account the following circumstances:

- There has been a significant subsequent equity financing provided by outside investors at a valuation above or below the current fair value of the investee, in which case the fair value of the investment is adjusted to reflect the value at which the financing took place;
- Based on financial information received from the investee it is apparent to the Company that the investee is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward;
- The investee is placed into receivership or bankruptcy;
- There has been significant corporate, political, operating or economic events affecting the investee that, in the Company's opinion, have a positive or negative impact on the investee'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 ultimately realized or realizable. Such events include, without limitation:
    - receipt or denial of necessary approvals that allow or prevent the investee to proceed with its project(s);
    - release by the investee of positive or negative technical results, which either proves or disproves its technical prospects; and
    - management personnel changes at the investee level that the Company's management believes will have a very positive or negative impact on the investee's ability to achieve its objectives and build value for shareholders.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. Absent the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized. The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to, and determinations reached by, the Company. Any fair value estimated by the application of these techniques may not ultimately be realized. Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the consolidated statement of comprehensive income and loss.

(xii) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

The number of additional shares is calculated by assuming that outstanding stock options and share purchase warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

4. Significant Accounting Policies (continued)

(xiii) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(xiv) Segment Reporting

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one operating segment.

(xv) Right-of-Use Assets and Lease Liability

The Company has applied IFRS 16, Leases, as at January 1, 2019. The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrow rate. The lease liability is subsequently measured by increasing the carrying amount to reflect on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful of the underlying asset.

(xvi) Dividends

IFRSs do not provide guidance on how an entity should measure distributions to its owners (commonly referred to dividends). IAS 1 requires an entity to present details of dividends, recognized as distributions to owners either in the consolidated statement of changes in shareholders' equity or in the notes to the consolidated financial statements.

In August 2019, the Company distributed all 37,500,000 Purchaser's shares from the sale of its subsidiaries to its shareholders as a non-cash dividend. The dividend was measured at the fair value of the Purchaser's shares at $0.08.

(xvii) Disposal of Subsidiaries

When the Company losses control over a subsidiary, it:

- Derecognizes the assets and liabilities of the subsidiary;
- Derecognizes the translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes any surplus or deficit in the consolidated statement of loss and comprehensive loss;
- Reclassifies the parent's share of components previously recognized as OCI to the consolidated statement of loss and comprehensive loss, as appropriate, as would be required of the Company had directly disposed of the related assets or liabilities.

5. Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets and liabilities at the reporting date and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of its financial statements.

Areas of judgement

(i) Going Concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern. Further disclosure is included in Note 2.

(ii) Deferred Tax Asset

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

Assumptions and critical estimates

(i) Determination of Fair Values

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. For marketable securities not quoted in an active market, where Level 1 inputs are not available the Company estimates the fair value based on the criteria described under Note 4(xi).

(ii) Tax Assets and Liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

(iii) Share-Based Payments

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however, the most significant estimate is the volatility.

(Expressed in Canadian Dollars, except per share amounts)

6. Loans Receivable

On February 24, 2020, the Company entered into a loan agreement with an unrelated company (the “Borrower”) for principal of $100,000 with interest bearing at 15% per annum and the loan is due on demand when the Borrower completes its next financing. The accrued interest is payable in common shares of the Borrower at $0.20 per share. The Borrower also agreed to issue warrants at a rate of 15% of the loan principal to the Company. These warrants are exercisable at $0.20 per share.

On December 7, 2020, The Company and the Borrower agreed to convert the loan principal of $100,000 and its accrued interest of $15,000 into the shares of the Borrower at a price of $0.20 per share. Subsequent to the conversion, the Company considered the loan to be fully repaid.

7. Marketable Securities

The Company’s marketable securities are comprised of investments in common shares of Canadian publicly traded and non-public companies. The Company measures its marketable securities at fair value through profit or loss (“FVTPL”). The cost and fair values of the marketable securities at December 31, 2020 and December 31, 2019 are as follows:

		December 31, 2020		December 31, 2019
Opening Balance	$	-	$	-
Additions		1,465,000		-
Disposals		(315,000)		-
Fair value gain		1,777,000		-
Ending Balance	$	2,927,000	$	-

8. Trade and Other Payables

		December 31, 2020		December 31, 2019
Taxes payable	$	48,263	$	48,263
Trade payables		572,506		319,742
	$	620,769	$	368,005

Trade and other payables comprise primarily of trade payables incurred in the normal course of business. Included in trade payables are amounts total $57,236 (December 31, 2019 - $590) due to related parties (see Note 19).

9. Share Capital

a. Authorized Share Capital

The Company is authorized to issue unlimited number of common shares without par value. At December 31, 2020, the Company had 4,856,589 (December 31, 2019 – 4,856,589) common shares outstanding.

b. Issued Share Capital

In November 2019, the Company completed a consolidation of its authorized and issued common shares on the basis of one post-consolidated common share for every twenty-five pre-consolidation common shares. All references to shares, per share amounts, warrants and options in these financial statements have been retroactively restated to reflect the share consolidation.

In April 2019, the Company issued 40,000 common shares to RSU holders upon the vesting of the remaining RSU.

(Expressed in Canadian Dollars, except per share amounts)

9. Share Capital (continued)

c. Restricted Share Units

Pursuant to the Company's fixed number restricted share unit ("RSU") plan, the Company awarded a total of 80,000 RSU to certain directors, officers and employees in October 2018. 50% of the awarded RSU vested immediately and the remaining 50% vested on April 17, 2019. The shares awarded pursuant to the RSU are equity settled and based on the fair value at date of grant.

10. Warrants

Details regarding warrants issued and outstanding are summarized as follows:

		Weighted Average exercise price	Number of shares issued or issuable on exercise
Balance – December 31, 2018	$	2.50	171,199
Expiry of warrants		2.50	(171,199)
Balance – December 31, 2020 and 2019	$	-	-

During the year ended December 31, 2019, all issued and outstanding warrants expired unexercised.

11. Stock Options

The Company adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time.

The changes in stock options outstanding are summarized as follows:

		Weighted Average exercise price	Number of shares issued or issuable on exercise
Balance – December 31, 2018	$	8.00	459,000
Stock options cancelled		7.88	(404,629)
Balance – December 31, 2020 and 2019	$	8.75	54,371

On July 31, 2019, the Company cancelled majority of the outstanding options due to the sale of its subsidiaries; as such, the Company is accelerated recognition of the unvested amounts for a total of $116,879.

The Company recorded a total of $nil (2019 - $699,722) in share-based expenses for the year ended December 31, 2020.

(Expressed in Canadian Dollars, except per share amounts)

11. Stock Options (continued)

Stock options outstanding and exercisable as at December 31, 2020 and 2019 are summarized as follows:

	Options Outstanding			Options Exercisable	
Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
$8.75	54,371	3.20	$8.75	54,371	$8.75

12. Income Taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the consolidated statement of loss and comprehensive loss:

	December 31, 2020	December 31, 2019
Income (loss) before income tax	$ 650,004	$ (925,045)
Statutory income tax rate	27%	27%
Expected income tax expense (recovery)	175,501	(249,762)
Non-deductible expenses	309	221,281
Tax effect of debt forgiveness	-	855,263
Tax effect on disposition of subsidiaries	-	(4,274,799)
Non-taxable portion of capital gain	(271,752)	(25,294)
Other differences	(354,451)	56,420
Deferred tax asset not recognized	450,393	3,495,050
Total income tax expense	$ -	$ 78,158

	December 31, 2020	December 31, 2019
Current tax expense	$ -	$ 78,158
Deferred tax expense	-	-
Total tax expense	$ -	$ 78,158

The unrecognized deductible temporary differences as at December 31, 2020 and December 31, 2019 is comprised of the following:

	December 31, 2020	December 31, 2019
Non-capital loss carry forward	$ 6,834,138	$ 4,872,580
Capital loss carry forward	14,865,470	14,112,267
Financing cost	159,178	318,356
Exploration and evaluation assets	644,700	644,700
Plant, property, equipment	2,137	416
Marketable securities	(888,500)	-
Other items	-	682
Total unrecognized temporary differences	$ 21,617,123	19,949,001

(Expressed in Canadian Dollars, except per share amounts)

12. Income Taxes (continued)

The Company has not recognized a deferred tax asset in respect of non-capital loss carry forward of approximately $6,834,138 (2019 - $4,872,580) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

	$
Non-capital losses expire as follows:	
2036	93,879
2037	99,314
2038	3,521,958
2039	1,598,540
2040	1,520,447
	6,834,138

13. Capital Management

The Company manages its capital structure, consisting of share capital, and will make adjustments to it depending on the funds available to the Company for its future operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out its planned operations and pay for future general and administrative expenses, the Company expects to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the years ended December 31, 2020 and 2019.

14. Financial Instruments

The Company's financial assets and liabilities by category and information about financial assets and liabilities measured at fair value on a recurring basis in the consolidated statement of financial position are classified and measured as follows:

	Category	December 31, 2020	December 31, 2019
Financial Assets			
Cash and cash equivalents	FVTPL	$ 164,729	$ 1,934,390
Marketable securities	FVTPL	$ 2,927,000	$ -
Financial Liabilities			
Trade and other payables	Amortized cost	$ 620,770	$ 368,005

Due to the short-term nature of trade and other payables, the Company determined that the carrying amounts of these financial instruments approximate their fair value.

14. Financial Instruments (continued)

The following table presents the Company's financial instruments, measured at fair value, and categorized into levels of the fair value hierarchy:

	Balance at December 31, 2020	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 164,729	$ 164,729	$ -	$ -
Marketable securities	$ 2,927,000	$ 2,412,000	$ 515,000	$ -

There were no transfers between the Levels of the fair value hierarchy during the years ended December 31, 2020 and 2019.

The Company's risk management policies are established to identify, analyze and manage the risks faced by the Company and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the Company's activities and to ensure applicability.

In the normal course of business, the main risks arising from the Company's use of financial instruments include credit risk, liquidity risk, market risk and currency risk. These risks, and the actions taken to manage them, include:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to cryptocurrency exchanges and from outstanding trade receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. The Company assessed its credit risk to be low.

(b) 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Liquidity risk is assessed as low.

(c) Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company previously was exposed to foreign currency risk through cash in banks and cash on deposit with fiat to cryptocurrency exchanges which are denominated in United States dollars (USD). As at December 31, 2020 the Company was not exposed to currency risk.

14. Financial Instruments (continued)

(d) Price risk

The Company's net income or loss, and financial condition were subject to price risk due to fluctuations of the following:

Equity Price Risk
The Company is exposed to equity price risk through its marketable securities and unfavourable market conditions could result in dispositions of marketable securities at less than favourable prices, especially during periods of overall market instability. The Company manages its equity price risk by having a portfolio of marketable securities not singularly exposed to any one issuer.

Commodity Price Risk
The profitability of the Company's was significantly affected by changes in prices of cryptocurrency. Cryptocurrency fluctuate on a daily basis and were affected by numerous factors beyond the Company's control. The supply and demand for crypto currency, investment decisions by large holders could all cause significant fluctuations in cryptocurrency prices. The Company is no longer exposed to commodity price risk after the sale of its subsidiaries.

15. Supplemental Cash Flow Information

The Company paid $nil (2019 - $82,913) in income taxes and did not pay any cash for interest during the years ended December 31, 2020 and 2019.

The disposition of the subsidiaries (see Note 17) is a non-cash transaction, whereby, the Purchaser issued 37,500,000 of its own shares as consideration for the subsidiaries.

On December 7, 2020, the Company and the Borrower agreed to convert the loan's principal of $100,000 and accrued interest of $15,000 into the shares of the Borrower at a price of $0.20 per share (see Note 6).

16. Segmented Information

The Company's operated a single business unit of cryptocurrency sales via its virtual ATMs prior to the sale of the Subsidiaries. The Company's primary business activities are located in Canada. All of the Company's assets, including head office, are located in Canada.

17. Disposal of Subsidiaries

The Subsidiaries were sold on July 31, 2019 for a consideration of $3 million in the form of 37,500,000 common shares of the Purchaser at a fair value of $0.075 per share. However, actual share price on disposal date was $0.08, as a result, the Company recorded a gain of $187,500 on the fair value of the shares, along with a gain of $2,159,723 on the disposal of Subsidiaries.

(Expressed in Canadian Dollars, except per share amounts)

17. Disposal of Subsidiaries (continued)

Details of Sale of Subsidiaries

		July 31, 2019
Consideration received:		
37,500,000 Purchasers' shares at $0.075	$	2,812,500
Carrying amount of net assets sold		(652,777)
Gain on sale of Subsidiaries	$	2,159,723

The carrying amounts of assets and liabilities as at the date of sale (July 31, 2019) were:

		July 31, 2019
Cash	$	841,941
Trade and other receivables		32,746
Cryptocurrency inventory		154,775
Prepaid expenses		8,202
Property, plant and equipment		86,526
Right-of-use asset		173,014
Total assets	$	1,297,204
Trade and other payables	$	(37,068)
Lease liability		(190,826)
Deferred revenue		(94,062)
Customer deposit		(286,005)
Deferred income taxes		(36,465)
Total liabilities	$	(644,427)
Net assets	$	652,777

In August 2019, the Company distributed all 37,500,000 Purchaser's common shares to its shareholders as dividend-in-kind at a fair-value share price of $0.08.

(Expressed in Canadian Dollars, except per share amounts)

18. Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted earnings (loss) per share for the years ended December 31, 2020 and 2019:

		December 31, 2020		December 31, 2019
Numerator				
Net income (loss) for the year	$	650,004	$	(1,007,957)
Denominator				
Basic – weighted average number of shares outstanding		4,856,589		3,868,824
Effect of dilutive securities		54,371		-
Diluted – adjusted weighted average number of shares outstanding		4,910,960		3,868,824
Earnings (loss) per share – basic and diluted	$	0.13	$	(0.26)

The basic earnings (loss) per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period.

The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

Share purchase warrants and stock options were excluded from the calculation of diluted weighted average number of common shares outstanding during the year ended December 31, 2019 as the warrants and stock options were anti-dilutive.

19. Related Party Transactions

During the years ended December 31, 2020 and 2019, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

		December 31, 2020		December 31, 2019
Management	$	310,500	$	864,864
Directors		28,590		291,193
	$	339,090	$	1,156,057

During the year ended December 31, 2020, the Company had $nil (2019 - $226,566) share-based payments made to management and directors.

During the year ended December 31, 2020, the Company purchased $nil (2019 - $472,603) worth of bitcoins from a company formerly with common management.

Due to Related Parties

As at December 31, 2020 and December 31, 2019, the Company has the following amounts due to related parties:

		December 31, 2020		December 31, 2019
Accounts payable and accrued liabilities	$	57,236	$	590

20. Subsequent Events

In March 2021, the Company advanced $388,000 to an unrelated company ("Borrower") in the USA at an interest rate of 10% per annum. The principal and interest are payable upon completion of the Borrower's next financing.

In March 2021, the Company participated in a debenture financing of an unrelated company for a principal amount of $500,000, the debenture matures on April 30, 2024.

In April 2021, the Company purchased 500,000 common shares of an exploration company for $50,000.

SCHEDULE B

MD&A for December 31, 2019 and December 31, 2020

NETCOINS HOLDINGS INC.
(FORMERLY GAR LIMITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

This Management's Discussion and Analysis of GAR Limited ("GAR" or the "Company") ("MD&A") is dated July 15, 2020, provides analysis of the Company's financial results for the year ended December 31, 2019 compared to the year ended December 31, 2018. The following information should be read in conjunction with the consolidated financial statements for the year ended December 31, 2019 and 2018 with accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise stated.

COMPANY OVERVIEW

Netcoins Holdings Inc. (formerly GAR Limited) was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). On August 31, 2018, the Company filed a Certificate of Continuance in the Province of British Columbia and adopted Articles of Continuance as a BC company under the Business Corporations Act of British Columbia (the "BCBCA"). These condensed consolidated interim 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 rather than through a process of forced liquidation.

Netcoins Holdings is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "NETC". The Company's head office is 800 West Pender Street, Suite 1430, Vancouver, BC, V6C 2V6, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

On March 9, 2018, the Company completed the acquisition of Netcoins Inc. ("Netcoins"), a private British Columbia corporation incorporated on July 8, 2014. Netcoins develops and markets software that enable the efficient purchasing of Bitcoin and uses its software to purchase and sell Bitcoin to customers. The Company acquired all of the issued and outstanding shares of Netcoins under a share purchase agreement (the "Reverse Takeover Transaction", the "Transaction", or the "RTO"). In connection to the Transaction, the Company is doing business under the business name "Netcoins Holdings Inc." and operating the primary business of Netcoins.

On the closing of the RTO, Netcoins became a wholly-owned subsidiary of the Company. As Netcoins is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations since incorporation on July 8, 2014 are included in the consolidated financial statements at their historical carrying value. The Company's results of operations are included from March 9, 2018 onwards, the closing date. Please refer to the Reverse Acquisition (note 6 of the financial statements) for more details.

During the year ended December 31, 2019, the Company disposed all of its subsidiaries to an unrelated third party. Please refer to the Disposal of Subsidiaries (note 23 of the financial statements) for more details. The Company will be seeking investments and business transactions in well-established sectors.

SELECTED ANNUAL INFORMATION

The following sets out selected financial information from the Company's most recently completed financial period and are derived from, and should be read together with the Company's annual financial statements.

	Year Ended		
	December 31, 2019 $	December 31, 2018 $	December 31, 2017 $
Current Assets	2,266,560	5,872,335	921,019
Current Liabilities	446,163	800,681	1,001,061
Total Assets	2,267,352	5,978,811	921,019
Total Liabilities	446,163	837,146	1,001,061
Operating Expenses	3,860,307	23,071,183	647,273
Net Loss	1,007,957	22,147,564	91,888
Loss per Share	0.26	5.76	91.89

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended December 31, 2019 is summarized as follows, reported in Canadian dollars except for per share amounts:

	Three Months Ended		Year Ended	
	December 31, 2019 ($)	December 31, 2018 ($)	December 31, 2019 ($)	December 31, 2018 ($)
Revenues				
Sales	-	26,330,954	43,379,204	58,357,238
Purchases	-	(26,128,358)	(43,035,168)	(57,557,297)
Gross profit	-	202,596	344,036	799,941
Gross margin	-	0.8%	0.8%	1.4%
Operating Expenses	(590,755)	(1,489,199)	(3,860,307)	(23,071,183)
Net loss	(479,963)	(1,208,522)	(929,800)	(22,147,564)

	December 31, 2019 ($)	December 31, 2018 ($)
Current assets	2,266,560	5,872,335
Current liabilities	446,163	800,681
Total assets	2,267,352	5,978,811
Total Liabilities	446,163	837,146

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2019

Revenues

Revenues from cryptocurrency sales for the three months ended December 31, 2019 were $nil, compared to revenues of $26,330,954 during the same period in the prior year.

Cost of sales from cryptocurrency purchases for the three months ended December 31, 2019 were $nil, compared to cost of sales of $26,128,358 during the same period in the prior year.

Gross margin for the three months ended December 31, 2019 was at nil% compared to 1% in the same period in the prior year.

Operating expenses

Expenses for the three months ended December 31, 2019 were $590,755 compared to $1,489,199 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Marketing and advertising expenses: $nil for the three months ended December 31, 2019 compared to $258,689 during the same period in prior year, as the Company had expanded and experienced tremendous growth in the prior year;
- Share-based payments: $63,101 for the three months ended December 31, 2019 compared to $205,984 during the same period in 2018, as the Company adopted a stock option plan in 2018 and granted options to directors, management and certain employees;
- Consulting fees: $nil compared to $111,812 during the same period in 2018, as the Company engaged consultants to assist with managing a public company in 2018;
- Professional fees: $325,573 compared to $(51,946) during the same period in the prior year; the Company engaged professionals to consult in the sales of the subsidiaries in 2019.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2019

Revenues

Revenues from cryptocurrency sales for the year ended December 31, 2019 were $43,379,204, compared to revenues of $58,357,238 during the same period in the prior year.

Cost of sales from cryptocurrency purchases for the year ended December 31, 2019 were $43,035,168, compared to cost of sales of $57,557,297 during the same period in the prior year.

Gross margin for the year ended December 31, 2019 was at 0.8% compared to 1% in the same period in the prior year.

Operating expenses

Operating expenses for the year ended December 31, 2019 were $3,860,307, compared to $23,071,183 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Marketing and advertising expenses: $43,837 for the year ended December 31, 2019 compared to $978,251 during the same period in prior year, as the Company had expanded and experienced tremendous growth in the prior year;
- Share-based payments: $699,722 for the year ended December 31, 2019 compared to $3,142,079 during the same period in 2018, as the Company adopted a stock option plan in 2018 and granted options to directors, management and certain employees;
- Consulting fees: $682,000 compared to $515,106 during the same period in 2019, as the Company engaged consultants to assist in the sales of the subsidiaries in 2019;
- Professional fees: $748,411 compared to $372,969 during the same period in the prior year; the Company engaged professionals to consult in the sales of the subsidiaries in 2019; while in 2018, the Company engaged advisors to assist in the rapid growth of the business and in preparation for the reverse acquisition.

CAPITAL STRUCTURE

As of the date of this MD&A, the Company has 4,856,589 common shares issued and outstanding. In addition, there are outstanding stock options for a further 54,371 common shares, respectively.

The details of stock options outstanding are as follows:

Grant Date	Expiry Date	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
March 13, 2018	March 13, 2023	54,371	$8.75

CAPITAL RESOURCES

The Company defines capital as consisting of shareholder’s equity and due to a related party. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company’s management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at December 31, 2019 and December 31, 2018, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the years ended December 31, 2019 and 2018.

LIQUIDITY

The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements. The Company has historically financed its operations primarily through the sale of share capital by way of private placements.

At December 31, 2019, the Company had cash of $1,934,390 (December 31, 2018 - $5,598,712) and working capital of $1,820,397 (December 31, 2018 – $5,071,654). The change in working capital at December 31, 2019 and December 31, 2018 is attributed to several factors commensurate with the growth of the business including the decrease in cash on deposit with cryptocurrency exchanges due to the disposition of Netcoins' subsidiaries, the growth in other receivables and prepaid expenses, and decrease in cryptocurrency inventory in 2019.

Cash used in operating activities was $2,722,501 during the year ended December 31, 2019, compared to $2,031,435 used in operating activities during same period in the prior year. The change in operating cash flows is attributed primarily to the increase in consulting and professional fees related to disposition of Netcoins' subsidiaries.

Cash used in investing activities was $668 during the year ended December 31, 2019, compared to $5,601,735 during the same period in the prior year. The change in investing cash flows is attributed primarily to the cash received upon completion of the RTO.

Cash used in financing activities of $941,153 for the year ended December 31, 2019 compared to $1,267,342 provided by financing activities during the same period in the prior year. The change in financing cash flows was primarily due to receipt of funds from the exercise of warrants under the convertible debenture units.

The continued operation of the Company in the future may depend on the Company's ability to obtain additional financings. In the past years, the Company has relied on shareholder loans and cash generated from operations to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through equity financing, debt financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing; failure to obtain such additional financing could have a material adverse effect on the Company's operations.

DISPOSAL OF SUBSIDIARIES

On May 27, 2019, the Company announced it had entered into a share purchase agreement with an unrelated third party regarding the sale of Netcoins Inc., NTC Holdings Corp. and NTC Holdings USA Corp.

The subsidiaries were sold on July 31, 2019 with effect from August 1, 2019. Please refer to note 23 in the consolidated financial statements for financial information relating to the disposal.

RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

Key Management Personnel Compensation

During the year ended December 31, 2019 and 2018, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

		December 31, 2019		**December 31, 2018**
Management	$	864,864	$	952,838
Directors		291,193		273,377
	$	1,156,057	$	1,226,215

During the years ended December 31, 2019, the Company also had share-based payments made to management and directors of $226, 566 (2018 - $1,333,338) and $17,429 (2018 - $94,823), respectively.

During the year ended December 31, 2019, the Company purchased $472,603 (2018 - $356,516) worth of bitcoins from a company with common management, respectively.

Due to Related Parties

As at December 31, 2019 and December 31, 2018, the Company has the following amounts due to related parties:

		December 31, 2019		December 31, 2018
Accounts payable and accrued liabilities	$	590	$	92,484
	$	590	$	92,484

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The fair value of cash approximates their carrying value due to the short-term maturity. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to Bitcoin Exchanges and from outstanding trade receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. Credit risk associated with cryptocurrency sale proceeds collected by vendors on behalf of the Company is limited as transactions are usually settled within 1 or 15 days.

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 currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

Foreign Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company previously was exposed to foreign currency risk through cash in banks and cash on deposit with fiat to cryptocurrency exchanges which are denominated in United States dollars (USD). As at December 31, 2019 the Company was not exposed to material currency risk.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to Netcoins' business is provided in GAR's Listing Statement dated February 28, 2018, under the heading "Risk Factors".

CONTRACTUAL OBLIGATIONS

The Company presently has no contractual obligations pursuant to which the Company has any payments owing in the next five years.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

The following discusses the most significant accounting judgements, estimates and assumptions that the Company has made in the preparation of its financial statements.

Areas of judgment:

- Revenue recognition

  In recognizing revenue, the Company determines if it acts as a principal in executing transactions with third parties, judgment is required to determine if the Company is acting as the principal or an agent in order to determine if revenue should be recognized on a gross or net basis for bitcoin sales and purchases.

- Going concern
  Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern.

- Deferred tax assets

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

- Determination of fair values

  Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company will engage third party qualified specialist to perform the valuation.

- Impairment of financial assets

  An expected credit loss ("ECL") model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of other receivables. In determining the ECLs management makes estimates related to the probability-weighted amount of ECLs based on a range of outcomes, the discount rate that reflects the effective interest rate of the asset and other information available as of the reporting date relating to past events, current conditions and forecasts regarding future economic conditions.

- Depreciation of property, plant and equipment

  Depreciation of equipment and leasehold is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of market and economic factors.

- *Fair Value of cryptocurrency inventory*

  At present, there is limited guidance in IFRS on the recognition and measurement of cryptocurrency inventory. Cryptocurrency inventory is measured at fair value using the quoted price on www.coinmarketcap.com.

  Management considers this fair value to be a level two input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital currency exchanges. The cryptocurrency inventory are valued based on the closing price obtained from www.coinmarketcap.com at the reporting period. The Company is relying on the data available at www.coinmarketcap.com to be an accurate representation of the closing price for the cryptocurrency inventory.

- Share-Based Payments
  The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however, the most significant estimate is the volatility

- Impairment of non-financial assets

  The assessment of any impairment of non-financial assets is dependent upon estimates of recoverable amount that take into account factors such as economic and market conditions, the useful lives of assets, definition of the CGU and estimates used to measure impairment losses. The recoverable value of these assets is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

- Tax assets and liabilities

  Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

- Leases

    The application of IFRS 16 Leases requires assumptions and estimates in order to determine the value of the right-of-use assets and the lease liabilities. Judgment must be applied when determining the implicit and incremental rates of borrowing, as applicable. Judgment must also be applied as to whether renewal options are reasonably certain of being exercised and whether periods covered by an option to terminate are reasonably certain of not being exercised.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are summarized in Note 4 to the audited financial statements for the years ended December 31, 2019 and 2018.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements", including statements regarding developments in the Company's operations in future periods, adequacy of financial resources and future plans and objectives of the Company. All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future expenditures on research and development and operating expenses, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that Management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

There can be no assurance that such information will prove to be accurate, and readers are cautioned not to place undue reliance on this forward-looking information.

NETCOINS HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

GENERAL

This Management's Discussion and Analysis of Netcoins Holdings Inc. ("Netcoins Holdings" or the "Company") ("MD&A") is dated April 29, 2021, provides analysis of the Company's financial results for the year ended December 31, 2020 compared to the year ended December 31, 2019. The following information should be read in conjunction with the consolidated financial statements for the years ended December 31, 2020 and 2019 with accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise stated.

COMPANY OVERVIEW

Netcoins Holdings Inc. was incorporated on February 20, 1987 under the Business Corporation Act (Ontario). On August 31, 2018, the Company filed a Certificate of Continuance in the Province of British Columbia and adopted Articles of Continuance as a BC company under the Business Corporations Act of British Columbia (the "BCBCA"). These consolidated 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 rather than through a process of forced liquidation.

Netcoins Holdings is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "NETC". The Company's head office is 800 West Pender Street, Suite 1430, Vancouver, BC, V6C 2V6, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

During the year ended December 31, 2019, the Company disposed all of its subsidiaries to an unrelated third party. Please refer to the Disposal of Subsidiaries (note 17 of the financial statements) for more details. The Company will be seeking investments and business transactions in well-established sectors.

On August 17, 2020, the Company announced that it will be pursuing a change of business from an industrial issuer to an investment company under the rules and policies of the Canadian Securities Exchange ("CSE"). The Company has adopted an investment policy to outline the nature, scope and character of the investments that the company will undertake. It is intended that the Company will change its name to Axcap Ventures or such similar name as may be determined by the directors. The Company will be focused on investing in various industries, including life sciences, mining and exploration, industrial, and technology.

The Company has made several investments in compliance with the investment policy adopted, including: Havn Life Sciences, a public health science company (in the psychedelic field), Freeman Gold Corp., a public natural resource exploration issuer, Newt Corporation, a private financial technology company and Alpha Esports Tech Inc., a private technology company (in the esports field).

The Company will reformulate its board of directors to populate the board with members having a history of varied investment, legal, financial and business experience. The change of business will constitute a fundamental change as contemplated by the policies of the CSE. The Company will be seeking required shareholder approval for the change of business in the coming months and will be mailing an information circular in connection therewith. The change of business disclosed herein is subject to the approval of the CSE and the requirements of Policy 8 (Fundamental Changes) of the CSE policies.

In connection with the change of business, the Company will be undertaking a private placement of up to $1-million at a price of 11 cents per unit, each unit composed of a share and a whole share purchase warrant at a price of 11.5 cents per share for a period of five years. The proceeds of the private placement are for satisfaction of listing requirements and for investments that the Company will be making in the future.

SELECTED ANNUAL INFORMATION

The following sets out selected financial information from the Company's most recently completed financial period and are derived from, and should be read together with the Company's annual financial statements.

	Year Ended		
	December 31, 2020 $	December 31, 2019 $	December 31, 2018 $
Current Assets	164,729	2,266,560	5,872,335
Current Liabilities	620,769	446,163	800,681
Total Assets	3,091,962	2,267,352	5,978,811
Total Liabilities	620,769	446,163	837,146
Expenses	1,291,901	3,860,307	23,071,183
Net Income (Loss)	650,004	(1,007,957)	(22,147,564)
Earnings (Loss) per Share	0.13	(0.26)	(5.76)

SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended December 31, 2020 is summarized as follows, reported in Canadian dollars except for per share amounts:

	Three Months Ended		Year Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	($)	($)	($)	($)
Revenues				
Sales	-	-	-	43,379,204
Purchases	-	-	-	(43,035,168)
Gross profit	-	-	-	344,036
Gross margin	-	-	-	0.8%
Operating expenses	(503,715)	(590,755)	(1,291,901)	(3,860,307)
Other gains (losses)	(1,123,158)	31,988	1,941,905	107,829
Gain on sale of subsidiaries	-	-	-	2,159,723
Net income (loss)	(1,626,873)	(641,680)	650,004	(1,007,957)

	December 31, 2020 ($)	December 31, 2019 ($)
Current assets	164,729	2,266,560
Current liabilities	620,769	446,163
Total assets	3,091,962	2,267,352
Total Liabilities	620,769	446,163

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2020

Revenues

Revenues from cryptocurrency sales for the three months ended December 31, 2020 was $nil, the same for the three months ended December 31, 2019 since the Company disposed its subsidiaries in the three months ended September 30, 2019.

Operating expenses

Expenses for the three months ended December 31, 2020 were $503,715, compared to $590,755 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Consulting fees: $64,750 for the three months ended December 31, 2020 compared to $nil during the same period in 2019, as the Company engaged consultants in preparation for its change of business transition;
- Share-based payments: $nil for the three months ended December 31, 2020 compared to $63,101 during the same period in 2019, as the Company adopted a stock option plan in 2018 and granted options to directors, management and certain employees;
- Office and administrative fees: ($10,242) compared to $94,461 during the same period in 2019; the Company incurred more insurance, telephone and rent expenses in 2019 compared to 2020.
- Professional fees: $115,485 compared to $325,573 during the same period in the prior year; the Company engaged professionals to consult in the sales of the subsidiaries in 2019.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020

Revenues

Revenues from cryptocurrency sales for the year ended December 31, 2020 were $nil, compared to revenues of $43,379,204 during the prior year.

Cost of sales from cryptocurrency purchases for the year ended December 31, 2020 were $nil, compared to cost of sales of $43,035,168 during the prior year.

Gross margin for the year ended December 31, 2020 was at nil% compared to 0.8% in the prior year.

The Company disposed its operating subsidiaries in 2019; hence, there was no revenue for the year ended December 31, 2020.

Operating expenses

Expenses for the year ended December 31, 2020 were $1,291,901, compared to $3,860,307 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Marketing and advertising expenses: $39,221 for the year ended December 31, 2020 compared to $43,837 during the same period in prior year, as the Company in 2019 was advertising its cryptocurrency brokerage business while in 2020 the Company pursues a change in business to an investment company;
- Share-based payments: $nil for the year ended December 31, 2020 compared to $699,722 during the same period in 2019, as the Company adopted a stock option plan in 2018 and granted options to directors, management and certain employees;
- Consulting fees: $98,250 compared to $682,000 during the same period in 2019, as the Company engaged consultants to assist with the Company's sale of its subsidiaries in 2019;
- Office and administrative fees: $458,114 compared to $1,365,369 during the same period in 2019, as the Company has no employee and paid management fees in 2020 while in 2019, the Company had employees and paid salaries and wages;
- Professional fees: $310,613 compared to $748,411 during the same period in the prior year; the Company engaged professionals to consult in the sales of the subsidiaries in 2019.

CAPITAL STRUCTURE

As of the date of this MD&A, the Company has 4,856,589 common shares issued and outstanding. In addition, there are outstanding stock options for a further 54,371 common shares, respectively.

The details of stock options outstanding are as follows:

Grant Date	Expiry Date	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
March 13, 2018	March 13, 2023	54,371	$8.75

CAPITAL RESOURCES

The Company defines capital as consisting of shareholder's equity and due to a related party. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at December 31, 2020 and December 31, 2019, the Company is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the year ended December 31, 2020 and 2019.

LIQUIDITY

The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements. The Company has historically financed its operations primarily through the sale of share capital by way of private placements.

At December 31, 2020, the Company had cash of $164,729 (December 31, 2019 - $1,934,390) and working capital deficiency of $456,040 (December 31, 2019 – working capital $1,820,397). The change in working capital at December 31, 2020 and December 31, 2019 was significant as the Company participated in the private placements of two unrelated companies during the year ended December 31, 2020.

Cash used in operating activities was $870,636 during the year ended December 31, 2020, compared to $2,722,501 used in operating activities during same period in the prior year. The change in operating cash flows is attributed primarily to the operations of the cryptocurrency brokerage in 2019 while in 2020, the Company is no longer in the cryptocurrency brokerage business.

Cash used in investing activities was $899,025 during the year ended December 31, 2020, compared to $668 during the same period in the prior year. The change in investing cash flows is attributed primarily to a loan advanced to an unrelated party which was converted to shares of the borrower in December 2020 as well as the Company's participation in the private placements of two unrelated companies.

The continued operation of the Company in the future may depend on the Company's ability to obtain additional financings. In the past years, the Company has relied on shareholder loans and cash generated from operations to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through equity financing, debt financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing; failure to obtain such additional financing could have a material adverse effect on the Company's operations.

DISPOSAL OF SUBSIDIARIES

On May 27, 2019, the Company announced it has entered into a share purchase agreement with an unrelated third party regarding the sale of Netcoins Inc., NTC Holdings Corp. and NTC Holdings USA Corp.

The subsidiaries were sold on July 31, 2019 with effect from August 1, 2019. Please refer to note 17 in the financial statements for financial information relating to the disposal.

RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

Key Management Personnel Compensation

During the year ended December 31, 2020 and 2019, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

		December 31, 2020		December 31, 2019
Management	$	310,500	$	864,864
Directors		28,590		291,193
	$	339,090	$	1,156,057

During the year ended December 31, 2020, the Company had $nil (2019 - $226,566) share-based payments made to management and directors.

During the year ended December 31, 2020, the Company purchased $nil (2019 - $472,603) worth of bitcoins from a company formerly with common management.

Due to Related Parties

As at December 31, 2020 and December 31, 2019, the Company has the following amounts due to related parties:

	December 31, 2020	December 31, 2019
Accounts payable and accrued liabilities	$ 57,236	$ 590

OFF BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The Company's cash and marketable securities are measured at fair value. The Company considers that the carrying amount of its trade and other payables recognized at amortized cost in the financial statements approximates their fair value due to the demand nature of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks, cash on deposit with fiat to cryptocurrency exchanges and from outstanding trade receivables. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. The Company assessed its credit risk to be low.

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 currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company is exposed to liquidity risk, but has assessed liquidity risk to be low.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

Foreign Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company previously was exposed to foreign currency risk through cash in banks and cash on deposit with fiat to cryptocurrency exchanges which are denominated in United States dollars (USD). As at December 31, 2020 the Company was not exposed to currency risk.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to Netcoins' business is provided in GAR's Listing Statement dated February 28, 2018, under the heading "Risk Factors".

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The Company presently has no contractual obligations pursuant to which the Company has any payments owing in the next five years.

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Areas of judgment:

- Revenue recognition

  In recognizing revenue, the Company determines if it acts as a principal in executing transactions with third parties, judgment is required to determine if the Company is acting as the principal or an agent in order to determine if revenue should be recognized on a gross or net basis for bitcoin sales and purchases.

- Going concern
  Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern.

- Deferred tax assets

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probably that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

- Determination of fair values

  Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company will engage third party qualified specialist to perform the valuation.

- Depreciation of property, plant and equipment

  Depreciation of equipment and leasehold is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of market and economic factors.

- Impairment of non-financial assets

  Non-financial assets are tested annually for impairment. The calculation requires assumptions and the use of estimates including growth rates for future cash flows, the number of years used in the cash flow model, the discount rate and other estimates.

- Tax assets and liabilities

  Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made. Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

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