Axcap Ventures Inc.

(formerly Netcoins Holdings Inc.)

CSE FORM 2A
LISTING STATEMENT

April 26, 2022

1. TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS

This Listing Statement contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Listing Statement. Such forward-looking statements speak only as of the date of this Listing Statement and include, but are not limited to, statements with respect to:

- the ability of the Issuer to obtain necessary financing;
- the performance of the Issuer’s business and operations as it relates to the Investee Companies;
- the Issuer’s expected market and the profitability thereof;
- the Issuer’s future liquidity and financial capacity;
- anticipated and unanticipated costs;
- costs, timing and future plans concerning the business and operations of the Issuer;
- results and expectations concerning various partnerships, strategic alliances, projects and marketing strategies of the Issuer; and
- the economy generally.

The forward-looking statements contained in this Listing Statement are based on a number of assumptions which may prove to be incorrect including, but not limited to:

- the Issuer’s ability to raise capital;
- the Issuer’s ability to satisfy certain requirements as an “investment company” pursuant to Section 1.7 of Appendix A to CSE Policy 2 – Qualifications for Listing;
- the success of the Issuer’s investment decisions;
- the market for and potential revenues to be derived from the Issuer’s Investments’ proposed products;
- the consumer interest in and demand for the Issuer’s Investments’ products, where the Investments may produce products or services; and
- costs, timing and future plans concerning operations of the Issuer and/or its Investments being consistent with current expectations.

These forward-looking statements should not be relied upon as representing the Issuer’s views as of any date subsequent to the date of this Listing Statement. Although the Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Issuer. Additional factors are noted under "Risk Factors" in this Listing Statement. The forward-looking statements contained in this Listing Statement are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Listing Statement are made as of the date of this Listing Statement and the Issuer does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable law.

GENERAL MATTERS

Any market data or industry forecasts used in this Listing Statement, unless otherwise specified, were obtained from publicly available sources. Although the Issuer believes these sources to be generally reliable, the accuracy and completeness of such information are not guaranteed and have not been independently verified.

Statistical information included in this Listing Statement and other data relating to the industry in which the Issuer intends to operate is derived from recognized industry reports published by industry analysts, industry associations and independent consulting and data compilation organizations.

GLOSSARY

"**Affiliate**" means a company that is affiliated with another company as described below. A company is an "Affiliate" of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person. A company is "controlled" by a person if (a) voting securities of a company are held, other than by way of security only, by or for the benefit of that person, and (b) the voting securities, if voted, entitle the person to elect a majority of the directors of a company. A person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that person or an Affiliate of any company controlled by that person;

"**Associate**" has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**Audit Committee**" means the Audit Committee of the Issuer as set out under the heading "*Directors and Officer – Board Committees";*

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**Board of Directors**" or "**Board**" means the board of directors of Netcoins;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**Change of Business**" means the redeployment of Netcoins's assets or resources that results in a change to the principal business without a major acquisition or change of control;

"**Common Shares**" means the common shares in the capital of Netcoins which will become the common shares of the Issuer upon completion of the Change of Business;

"**company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"**Concurrent Financing Unit**" has the meaning set out under the heading "*General Development of the Business – Equity Financing*";

"**Concurrent Financing Warrant**" has the meaning set out under the heading "*General Development of the Business – Equity Financing*";

"**Concurrent Financing"** has the meaning set out under the heading "*General Development of the Business – Equity Financing*";

"**CSE**" means the Canadian Securities Exchange;

"**CSE Listing**" means the listing of the Common Shares on the CSE;

"**IFRS**" means the International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, effective January 1, 2011;

"**Investee Company**" has the meaning set out under the heading *"Narrative Description of the Business – Investment Policy*"

"**Investment Committee**" means the investment committee established by the Board of Directors in accordance with the Investment Policy;

"**Investment Policy**" has the meaning set out under the heading "*Narrative Description of the Business – Investment Policy*";

"**Issuer**" or "**Axcap**" means Axcap Ventures Inc. – a company incorporated as GAR Limited on February 20, 1987 under the *Business Corporations Act* (Ontario) which on August 29, 2018 changed its name to Netcoins Holdings Inc. and on August 31, 2018 continued the Issuer's registered jurisdiction from Ontario to British Columbia and which on April 20, 2022 changed its name to Axcap Ventures Inc.;

"**Listing Statement**" means this listing statement, as may be amended and/or supplemented from time to time;

"**MD&A**" means management's discussion and analysis;

"**Name Change**" means the name change of Netcoins Holdings Inc. to Axcap Ventures Inc. on April 20, 2022 in connection with the Change of Business;

"**Named Executive Officer**" has the meaning set out in Form 51-102F6 – *Statement of Executive Compensation;*

"**Netcoins**" means the Issuer prior to giving effect to the Change of Business and Name Change – a company incorporated as GAR Limited on February 20, 1987 under the *Business Corporations Act* (Ontario) which on August 29, 2018 changed its name to Netcoins Holdings Inc. and on August 31, 2018 continued the Issuer's registered jurisdiction from Ontario to British Columbia;

"**Netcoins's Financial Statements**" means the audited financial statements of Netcoins for the years ended December 31, 2020 and 2019 and the unaudited interim financial statements of Netcoins for the three months ended September 30, 2021, which are attached to this Listing Statement as Schedule "A";

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees;*

"**NP 46-201**" means National Policy 46-201 – *Escrow for Initial Public Offerings;*

"**person**" means a company or individual;

"**Related Person**" has the meaning set out in CSE Policy 1 – Interpretation and General Provisions; and

"**RSU**" means restricted share unit issued pursuant to the Issuer's RSU plan.

Words importing the masculine shall be interpreted to include the feminine or neuter and the singular to include the plural and vice versa where the context so requires.

In this Listing Statement, other words and phrases that are capitalized have the meanings assigned in this Listing Statement.

All references to "$", "CDN$" or "dollars" in this Listing Statement are to lawful currency of Canada unless otherwise expressly stated. References to "US$" are to United States dollars.

2. CORPORATE STRUCTURE

Corporate Name, Head and Registered Office and Jurisdiction of Incorporation

The head office of the Issuer is located at 488 – 1090 West Georgia Street, Vancouver, B.C. V6E 3V7 and its registered office address is 1500 – 1055 West Georgia Street, Vancouver, B.C. V6E 4N7.

Axcap was incorporated as GAR Limited on February 20, 1987 under the *Business Corporations Act* (Ontario) and was listed for trading on the CSE on December 31, 2014 under the trading symbol "GL". On March 9, 2018 the Issuer completed the acquisition of all the issued and outstanding shares of Netcoins Inc., a private British Columbia company, pursuant to the terms of a share exchange agreement, as amended. The acquisition of Netcoins Inc. constituted a "fundamental change" of Netcoins pursuant to the policies of the CSE (the "**Fundamental Change**"). In connection with the Fundamental Change, the Issuer changed its name to Netcoins Holdings Inc. On March 13, 2018, Netcoins resumed trading on the CSE under the symbol "NETC" and doing business as "Netcoins", and operating under its wholly-owned subsidiary Netcoins Inc. On August 31, 2018 Netcoins continued its registered jurisdiction from Ontario to British Columbia. On April 20, 2022, Netcoins changed its name to Axcap Ventures Inc. See "*Description of Securities –Stock Exchange Price - Netcoins*" below.

The Common Shares were halted from trading on November 13, 2019 pending completion of the Change of Business. The last closing price of the Common Shares on the CSE prior to the trading halt was $0.115 per Common Share. It is anticipated that the Common Shares will begin trading on the CSE under the symbol "AXCP" upon completion of the Change of Business.

Inter-Corporate Relationships

The Issuer has no current subsidiaries. On July 31, 2019, Netcoins completed its transaction with BIG (as defined below) for the sale of each of its former subsidiaries. See "*General Development of the Business*".

Re-qualification

The Issuer plans to re-qualify on the CSE following its Change of Business.

3. GENERAL DEVELOPMENT OF THE BUSINESS

General Development of the Business

From 1987 to 2018, the Issuer was engaged in the acquisition, exploration and development of mineral properties in Canada and Nicaragua. On March 9, 2018, the Issuer completed the acquisition of Netcoins Inc., a private British Columbia corporation incorporated on July 8, 2014 and at such time, the principal business of the Issuer became the business of developing software to better facilitate the purchase and sale of Bitcoin for end users.

The Issuer subsequently entered into a share purchase agreement with BIG Blockchain Intelligence Group Inc. ("**BIG**"), and BIG's wholly owned subsidiary, 1208810 B.C. Ltd. dated May 24, 2019 as amended June 5, 2019 evidencing Netcoins's intention to sell the shares of its subsidiaries, Netcoins Inc., NTC Holdings Corp., and NTC Holdings USA Corp. in exchange for the purchase price of $3,000,000 payable to the Issuer in common shares in the capital of BIG (the "**BIG Shares**") at an issue price of $0.08 per BIG Share, for an aggregate issuance of 37,500,000 BIG Shares. Such BIG Shares were subsequently distributed to the shareholders of the Issuer.

In November 2019, the Issuer consolidated the Common Shares on the basis of one-post consolidated Common Share for every twenty-five pre-consolidation Common Shares.

In April 2019, the Issuer issued 40,000 Common Shares to holders of RSU whose RSUs had vested.

In 2020, following a thorough evaluation of the Issuer's existing resources and a review of its strategic options, the Issuer made the decision to refocus its business operations to become an investment company (see "*General Development of the Business – Transition to an Investment Issuer*"). On August 17, 2020, the Issuer announced that it would pursue the Change of Business from an industrial issuer to an investment company under the rules and policies of the CSE.

On June 26, 2021, the Issuer filed a Notice of Annual General Meeting and Information Circular with respect to the Change of Business for the annual general meeting to be held on July 23, 2021.

Additional information pertaining to the Issuer, including financial information, is contained in the various disclosure documents of the Issuer filed with applicable securities commissions and the CSE and made available through the Internet on the SEDAR website at www.sedar.com and on the CSE website at www.thecse.com.

Transition to an Investment Issuer

In 2020, following a thorough evaluation of the Issuer's existing resources and a review of its strategic options, the Issuer made a decision to refocus its business operations from a technology company to an investment company.

The Board of Directors takes the position that the Issuer satisfies all criteria to be categorized as an "investment entity" as defined under IFRS.[1] The Issuer 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

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

invested through the appreciation of the Issuer's share price or through investment income from its Investments (as defined in "*Narrative Description of the Business – Investment Policy*"; also see below "*Equity Financing*"). Second, the Issuer 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 "*Narrative Description of the Business – Investment Policy*"). Third, the Issuer 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. Last, the Issuer plans to continue seeking opportunities to diversify and expand its portfolio of investments in the cannabis sector, which the Investment Committee evaluates and deems value creating to both existing and prospective shareholders.

The Issuer 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. The Issuer's current investments are in the mineral exploration, technology, software development and biotechnology industries. To date, the issuer's largest investment is $600,000. For a full description of the Issuer's current holdings, please see "*General Development of the Business – Material Assets and Investments*". For a full description of the Issuer's investment Strategy, please refer to the Issuer's Investment Policy under the heading "*Narrative Description of the Business – Investment Policy*".

Equity Financing

In connection with the Change of Business, the Issuer completed a private placement, in tranches, of an aggregate of 16,836,486 units (each a "**Concurrent Financing Unit**") of the Issuer (the "**Concurrent Financing**") at a price of $0.11 per Concurrent Financing Unit for aggregate gross proceeds of $1,852,013.46. Each Concurrent Financing Unit consisted of one Common Share and one common share purchase warrant (a "**Concurrent Financing Warrant**"). Each Concurrent Financing Warrant is exercisable into one additional share (a "**Concurrent Financing Warrant Share**") at a price of $0.115 per Concurrent Financing Warrant Share for a period of five years. The proceeds from the Concurrent Financing will be used to satisfy continued listing requirements and for investments that the Issuer will be making in the future.

In connection with the Concurrent Financing, the Issuer paid a cash finder's fee of $172,203.08 and issued 118,166 finder's units (the "**Concurrent Financing Finder's Units**") and 1,683,748 finder's warrants (the "**Concurrent Financing Finder's Warrants**"). Each Concurrent Financing Finder's Unit consisted of on Common Share and one Concurrent Financing Finder's Warrant. Each Concurrent Financing Finder's Warrant is exercisable into one additional share (a "**Concurrent Financing Finder's Warrant Share**") at a price of $0.115 per Concurrent Financing Finder's Warrant Share for a period of five years.

Material Assets and Investments

The following chart is a summary of the Issuer's material assets and investments in each of its current investments in Investee Companies.

Asset/Corporation Name	Description of Investment	Type of Investment, Classification and Jurisdiction
Freeman Gold Corp. ("**Freeman**")	On May 7, 2020, the Issuer acquired 1,000,000 common shares at a price of $0.35 per common share and 1,000,000 common share purchase warrants in the capital of Freeman for an aggregate purchase price of $350,000. The common share purchase warrants are exercisable into common shares at an exercise price of $0.50 per common share. Freeman is an early stage mineral exploration company operating in Lemhi County, Idaho, which is listed on the CSE as well as the Frankfurt Stock Exchange.	*Amount of Investment:* $350,000 *Type of Investment*: common shares and warrants *Jurisdiction*: Operations in the United States; Incorporation in British Columbia *Classification*: Mineral Exploration
HAVN Life Sciences Inc. ("**HAVN**")	On April 21, 2020, the Issuer purchased 2,400,000 common shares at a price of $0.25 per common share and 2,400,000 common share purchase warrants in the capital of HAVN for an aggregate purchase price of $600,000.The common share purchase warrants are exercisable into common shares at an exercise price of $0.50 per common share. HAVN is 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.	*Amount of Investment:* $600,000 *Type of Investment*: common shares and warrants *Jurisdiction*: Operations in Canada; Incorporation in British Columbia *Classification*: Psychedelics
Newt Corp. ("**Newt**")	On December 7, 2020 the Issuer advanced $100,000 as a loan with interest at a rate of 15% to Newt which was renegotiated into a convertible note, convertible into shares of Newt at $0.20 per common share. Subsequently, Newt converted a portion of the loan into common shares, and currently holds 575,000 common shares in the capital of Newt. 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.	*Amount of Investment:* $100,000 *Type of Investment*: Convertible Loan *Jurisdiction*: Operations in Mexico; incorporated in Ontario *Classification*: Technology
Alpha Esports Tech Inc. ("**Alpha**")	On December 14, 2020, the Issuer purchased 1,142,857 common shares at a price of $0.35 per common share and 571,428.5 common share purchase warrants in the capital of Alpha for an aggregate purchase price of $400,000. The common share purchase warrants are exercisable into common shares at an exercise price of $0.50 per common share.	*Amount of Investment:* $400,000 *Type of Investment:* common shares and warrants *Jurisdiction:* Operations in Canada; incorporation in British Columbia. *Classification:* Technology

Asset/Corporation Name	Description of Investment	Type of Investment, Classification and Jurisdiction
	Alpha is a technology company that focuses on emerging markets in Esports, mobile gaming, ecommerce, blockchain and high growth opportunities.	
First Uranium Resources Ltd. (formerly Karam Minerals Inc.) ("**First Uranium**")	On April 1, 2021, the Issuer purchased 500,000 common shares at a price of $0.10 per common share in the capital of First Uranium for an aggregate purchase price of $50,000 First Uranium is an early stage mineral exploration company operating in the Black Duck Property in British Columbia, Canada. First Uranium is listed on the CSE.	*Amount of Investment:* $50,000 *Type of Investment:* common shares *Jurisdiction:* Operations in British Columbia incorporation in British Columbia *Classification:* Resource Exploration
Lannister Mining Corp. ("**Lannister**")	On May 3, 2021, the Issuer purchased 1,000,000 common shares at a price of $0.10 per common share in the capital of Lannister for an aggregate purchase price of $100,000. Lannister is a mineral exploration company operating in Montana, USA.	*Amount of Investment:* $500,000 *Type of Investment:* common shares *Jurisdiction:* Operations in Montana, USA, incorporation in British Columbia. *Classification:* Resource Exploration

The Issuer entered into agreements with each of First Uranium, Alpha and Lannister, pursuant to which the Issuer may appoint a member to the board of directors of each such company.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

Investment Policy

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

<u>Overview of Business</u>

The Issuer is an investment company whose primary 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 Issuer's shareholders. The Issuer will invest its funds with the aim of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities across a wide range of sectors and industry areas, including but not limited to the mineral exploration, technology, software development and biotechnology industries.

The Issuer'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 Issuer's shareholders.

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

Investments will be acquired and held for short-term gains, income generation, or long-term capital appreciation, dependent upon the specific investment. The paramount goal of the Issuer will be to generate maximum returns from its investments.

The Issuer will operate as an investment company, rather than an investment fund. That is, the Issuer intends to be active in managing its investments and active with respect to each entity in which it holds an interest (each an "**Investee Company**"). It will do this by doing one or more of (i) holding a significant equity interest, (ii) having representation on the Investee Company's board of directors, or observer status on board meetings and matters, (iii) appointing an advisor to the advisory board; (iv) appointing a member of management, (v) imposing restrictions on the management, or holding approval or veto rights over decisions made by management, and (vi) having a right to restrict transfer of shares of other shareholders, or the right to issue new shares.

The Issuer expects to establish the Investment Committee to oversee the identification, review and implementation of investments. The Issuer may also engage one or more investment managers or third party consultants to assist with identifying and executing upon investments, as well as monitoring investments over time.

The Issuer anticipates re-investing the profits realized from its investments to further the growth and development of the Issuer's investment portfolio. The declaration and payment of dividends to shareholders will become a priority once the Issuer has achieved steady or continuous cash flow from its investments.

<u>Investment Objectives</u>

The principal investment objectives of the Issuer 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 Issuer'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 Issuer 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 Issuer's investment portfolio.

<u>Investment Strategy</u>

In pursuit of returns and to achieve the investment objectives as stated above, while mitigating risk, the Issuer, 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 Issuer will obtain detailed knowledge of the relevant business the investment shall be made in, as well as the Investee Company;
- the Issuer 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 Issuer will maintain a flexible position with respect to the form of investment taken;
- the Issuer 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 Issuer 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 Issuer will seek to maintain the ability to actively review and revisit all of its investments on an ongoing basis;
- the Issuer will actively review and monitor all of its investments on an ongoing basis and Investee Companies will be required to provide continuous disclosure of operations and financial status. In most instances the Issuer will insist on board or management representation on Investee Companies;
- the Issuer will watch for liquidity of its investments and seek to realize value from same in a prudent and orderly fashion;
- the Issuer will take holdings in companies within the framework of the above guidelines, and which from time to time may result in the Issuer holding a control position in a target company;
- the Issuer will utilize the services of independent technology organizations, advisors and consultants to gain additional information on target investments where appropriate; and
- to the extent permissible by law, the Issuer 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 Issuer and its shareholders.

Investment Restrictions

Industries: The Issuer will not restrict its investments to any one particular sector. Instead the Issuer will invest in private and publicly listed entities across a wide range of sectors and industry areas, including but not limited to the mineral exploration, technology, software development and biotechnology industries. While the Issuer will invest in both private and publicly listed entities, given the liquid nature of publically traded shares, it is expected investments will generally be made in public companies.

Composition: The actual composition of the Issuer's investment portfolio will vary over time as investments are made and liquidated. Management will not be bound or restricted as to the geographic, percentage diversity, number of investments, or other restrictive parameters; but may exercise flexibility in its approach to and investment of available funds. The nature and timing of the Issuer's investments will depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Issuer.

Types: The Issuer will maintain a flexible position with respect to the form of investments taken, and may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, joint ventures, partnerships, net profit interests and other hybrid instruments.

Jurisdictions: The Issuer anticipates that a material percentage of its investments may be in entities formed in jurisdictions outside of Canada and the United States.

Timing: The timing of the Issuer's investments will depend, in part, on available capital at any particular time, and the investment opportunities identified and available to the Issuer. Subject to the availability of capital, the Issuer intends to create a suitably diversified portfolio of investments and not retain available cash (other than as needed for ongoing general administrative expenses). Management will not be bound or restricted as to the timing to invest available capital; but will seek to fully deploy available capital in as expeditious a manner as possible.

Notwithstanding the above, the Issuer will seek to invest at least 60% of its available capital resources in Investee Companies, in accordance with the investment objectives and strategy outlined herein, at all times (subject to a reasonable period of time following each raising of additional capital). In the event it fails to meet this requirement for a period of 180 days or more, it will forthwith call a meeting of its shareholders for the purpose of seeking majority of the minority approval (excluding management and insiders) to one of (i) continue to seek investment opportunities in accordance with the Investment Policy and strategies outlined herein, or (ii) discontinue its operations as an investment company and seek alternative opportunities, or (iii) liquidate and discontinue all operations and return the proceeds therefrom to the minority shareholders as a return of capital or cash dividend.

Size: The Issuer will not be bound or restricted as to the overall size of its investment portfolio. The Issuer may raise additional funds from time to time, for purposes of expanding its investment portfolio; or may choose to limit its size based on available management time or investment opportunities. Nor will the Issuer be limited as to the size of any particular investment it may make or the percentage interest any one investment may be of the Issuer's overall portfolio. However, investments will generally range from \$100,000 and \$1,000,000. The Issuer may hold a material or majority of its investments in one Investee Company or a relatively few number of Investee Companies. Further, the Issuer will not be limited as to the percentage interest it may hold in any Investee, which may result in the Issuer holding a control position or even complete ownership of an Investee Company.

Investee Structures: The Issuer will not be bound or restricted as to the nature or structure of Investee Companies. Investee Companies may be public or private corporations, partnerships, joint ventures or other legal entities.

Compliance: The Issuer will use reasonable commercial efforts to ensure that with respect to every investment made by the Issuer that the Investee Company is in full compliance with all applicable regulatory requirements enacted by the applicable regulatory authorities in the jurisdiction in which it operates.

Investment Committee

The Issuer 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 the Issuer's current Investment Committee).

Members of the Investment Committee may be removed or replaced by the Board. Officers of the Issuer 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 Issuer will work jointly and severally to uncover appropriate investment opportunities. However, the Investment Committee will monitor the Issuer'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 Issuer's Investment Policy, (b) whether the proposal fits with the investment and corporate strategy of the Issuer, (c) the merits of the proposed investment; and (d) whether the investment has the potential to create value for the Issuer's shareholders. If the proposed investment is approved in principle by the Investment Committee, the Issuer 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", the Issuer 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 Issuer*"). The Issuer 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 Issuer's investors through financial disclosure. In addition, the Issuer 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 Issuer 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 Issuer 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 Issuer'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 Issuer 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 Issuer. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including companies in which the Issuer may invest. The Parties may also engage in transactions with the Issuer 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 Issuer's business purpose is to invest funds solely for returns from capital appreciation and investment income. The Issuer'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 Issuer expects that its exit strategies will be determined on a case-by-case basis having reference to each particular market situation and will generally be considered within one to two years following the date the investment was made.

The Issuer's general exit strategies are as follows:

Investments in Publicly Traded Companies

- The Issuer will 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 Issuer 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 Issuer 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.
- Once the liquidity event occurs for certain private company investments, the Issuer may start liquidating a portion of holdings to recover initial capital cost and hold onto higher returns for the balance or sell for immediate gains.

Amendment

The Issuer's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of the Investment Committee or senior management and approval by the Board. Shareholder approval will not be required to amend the Issuer's investment objectives, investment strategy or investment restrictions.

Current Investment Committee

The Investment Committee shall be comprised of Kenneth Cotiamco, Carson Seabolt and Mario Vetro.

Current Investments

Please see "*General Development of Business – Material Assets and Investments*".

Business Objectives and Milestones Over Next 12 Months

Over the next 12 months the Issuer will continue to monitor its current investment portfolio and evaluate whether the Issuer's investments should continue to be held in whole or in part or be divested of. The Issuer's key objective over the next 12 months 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 Issuer's Investment Policy. To review a copy of the Issuer's Investment Policy, please refer to the heading "*Narrative Description of the Business – Investment Policy*".

In order to meet the Issuer'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 Issuer's investment portfolio, the Issuer will need additional investment capital. While the Issuer will initially have approximately $386,609 in cash available to acquire investments, it is expected that more capital will be needed throughout the next 12 months to continue to acquire new investments. The Issuer 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 Issuer will be successful in raising additional capital. Please see "*Risk Factors*".

The Issuer's primary business objectives are to assist its Investee Companies with corporate finance, branding and marketing, capital markets and investor awareness.

Funds Available

The Issuer’s working capital as of March 31, 2022 was approximately $1,515,919. The following table outlines the Issuer’s expected use of its available funds and expenses it expects to incur over the next 12 months:

Category of Expense	Expected 12 Months Expenditures ($)
Additional Investments	$1,000,000
General and Administrative Expenses	$340,000
Unallocated Working Capital	$175,919
TOTAL	$1,515,919

The Issuer’s general and administrative expenses are expected to consist of the following:

General and Administrative Expenses	Amount
Accounting and Audit	$30,000
Legal and Compliance	$45,000
Administrative and Office Expenditures	$50,000
Marketing and Promotions	$200,000
CSE and SEDAR Fees	$5,000
Miscellaneous	$10,000
TOTAL	**$340,000**

To materially increase the Issuer’s investment portfolio, the Issuer will be required to raise additional funds, which it anticipates will be by way of equity distributions. There is no assurance the Issuer will be successful in raising funds through the sale of Common Shares on terms acceptable to it, or at all. If the Issuer does not raise additional funding, it may not be able to invest in any new opportunities it identifies, and will seek to grow more slowly through the sale of some existing investments to acquire new ones. New investments will be made in accordance with the Issuer’s Investment Policy.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Annual Information

The following table is a summary of selected financial information for the Issuer for the fiscal years ended December 31, 2020, 2019, and 2018. This information has been prepared in accordance with IFRS and is expressed in Canadian dollars. See also Netcoins’s Financial Statements attached hereto as Schedule “A”.

	Year Ended December 31, 2020 (audited) ($)	Year Ended December 31, 2019 (audited) ($)	Year Ended December 31, 2018 (audited) ($)
Revenue	-	43,379,204	58,357,238
Net Loss	650,004	(1,007,957)	(22,147,564)

Other income	1,941,905	2,267,552	15,019
Basic and diluted loss per share	0.13	(0.26)	(0.23)
Total Assets	3,091,962	2,267,352	5,978,811
Total non-current liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

See Netcoins's MD&A for the year ended December 31, 2020 attached to this Listing Statement as Schedule "B" for a discussion of the factors causing period-to-period variations in the Issuer's financial condition for the fiscal years ended December 31, 2020, 2019 and 2018, including significant acquisitions and changes in the direction of the Issuer's business.

Quarterly Information

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

	3rd Quarter 2021	**2nd Quarter 2021**	**1st Quarter 2021**	**4th Quarter 2020**
Three Months Ended	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Total Revenue	Nil	Nil	Nil	Nil
Loss before other income (expense)	(83,749)	(152,935)	(322,755)	(503,715)
Net Profit (Loss)	(392,068)	425,230	(870,053)	(1,626,873)
Earnings (Loss) per share-basic and diluted	(0.08)	0.09	(0.18)	(0.33)
	3rd Quarter 2020	**2nd Quarter 2020**	**1st Quarter 2020**	**4th Quarter 2019**
Three Months Ended	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Total Revenue	Nil	Nil	Nil	Nil
Loss before other income (expense)	(288,415)	(248,168)	(251,603)	(590,755)
Net Profit (Loss)	2,069,029	457,665	(249,817)	(479,963)
Earnings (Loss) per share-basic and diluted	0.43	(0.09)	(0.05)	(0.10)

See Netcoins's MD&As for the year ended December 31, 2020 and the three months ended September 30, 2021, attached to this Listing Statement as Schedule "B" for a discussion of the factors causing period to period variations in the Issuer's financial condition.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

Netcoins's annual MD&A for the year ended December 31, 2020 and interim MD&A for the three months ended September 30, 2021 are attached to this Listing Statement as Schedule "B".

7. MARKET FOR SECURITIES

The Issuer's common shares are listed for trading on the CSE.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the share and loan capital of the Issuer as at December 31, 2020 and September 30, 2021 and the date of this Listing Statement. The table should be read in conjunction with Netcoins's Financial Statements and the accompanying notes thereto, attached as Schedule "A", to this Listing Statement.

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of December 31, 2020	Amount Outstanding as of September 30, 2021	Amount Outstanding as of the Date of this Listing Statement
Common Shares	Unlimited	4,856,589	4,856,589	21,811,241
Warrants	Unlimited	Nil	Nil	16,836,486
Finder's Warrants	N/A	Nil	Nil	1,801,914[(1)]
Convertible Debentures	N/A	Nil	Nil	Nil
Options	10% of the issued and outstanding Common Shares	54,371	54,371	54,371
RSUs	The RSU Plan allows the Issuer to grant RSUs, which may be exercised to purchase up to a maximum of 11,669,456 Common Shares.	80,000	80,000	Nil

Note:

(1) Issued to certain arm's length finders pursuant to the *Concurrent Financing.*

9. OPTIONS TO PURCHASE SECURITIES

The Issuer has established a rolling share option plan (the "**Option Plan**"), in which the maximum number of common shares which can be reserved for issuance under the Option Plan is 10% of the issued and outstanding Common Shares. The minimum exercise price of the options is set at the Issuer's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors.

For the purposes of the below, and in accordance with the requirements of section 9.1 of Form 2A of the CSE, the number of RSUs issued and outstanding are also noted as a separate category of "option", though all RSUs issued are not subject to any exercise price and are convertible into Common Shares as at vesting for no additional consideration by the holder.

Position	Number of Options	Exercise Price ($)	Expiry Date
Current and past executive officers (2 persons)	39,571	$8.75	March 13, 2023
Current and past directors (1 persons)	10,000	$8.75	March 13, 2023
Employees	Nil	$8.75	March 13, 2023
Consultants (2 persons)	4,800	$8.75	March 13, 2023
Total:	54,371 (Options)	$8.75	March 13, 2023

10. DESCRIPTION OF SECURITIES

Common Shares

The Issuer will be authorized to issue an unlimited number of common shares without par value, of which 21,811,241 Common Shares will be issued and outstanding. See "*Consolidated Capitalization"* above. All issued and outstanding Common Shares will be fully paid and not subject to any future call or assessment. In addition, all Common Shares will rank equally as to voting rights, participation in a distribution of the assets of the Issuer on a liquidation, dissolution or winding-up of the Issuer and the entitlement to dividends as and when declared by the directors of the Issuer. The holders of Common Shares will be entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each Common Share will carry with it the right to one vote. The Common Shares will have no pre-emptive, conversion, exchange, redemption, retraction, purchase for cancellation or surrender provisions and there are no sinking fund provisions in relation to the Common Shares.

In the event of the liquidation, dissolution or winding-up of the Issuer or other distribution of its assets, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the Issuer has paid out its liabilities. Distribution in the form of dividends, if any, will be set by the directors of the Issuer. See "*Dividend Policy*" below for particulars of the Issuer's anticipated dividend policy.

Provisions as to the modification, amendment or variation of the rights attached to the capital of the Issuer are contained in the Issuer's articles and the BCBCA. Generally speaking, substantive changes to the share capital require the approval of the shareholders by either an ordinary (50% +1 of the votes cast) or special resolution (at least 66 2/3% of the votes cast). However, in certain cases, the directors of the Issuer may, subject to the BCBCA, be able to alter the Issuer's authorized and issued share capital to, inter alia, create one or more classes of shares or, if none of the shares of a class are allotted or issued, eliminate that class of shares; increase, reduce or eliminate the maximum number of shares that the Issuer is authorized to issue out of any class of shares; subdivide or consolidate all or any of its unissued, or fully paid issued, shares; or alter the identifying name of any of its shares.

Warrants

As of the date hereof, the Issuer has 16,836,486 Concurrent Financing Warrants issued and outstanding. Each Concurrent Financing Warrant entitles the holder thereof to acquire, without payment of any additional consideration, one Concurrent Financing Warrant Share at a price of $0.115 per warrant for a period of five years from the date of issue.

Finder's Warrants

As of the date hereof, the Issuer has 1,801,914 Concurrent Financing Finder's Warrants issued and outstanding. Each Concurrent Financing Finder's Warrant entitles the holder thereof to acquire, without payment of any additional consideration, one Concurrent Financing Finder's Warrant Share at a price of $0.115 per warrant for a period of five years from the date of issue.

Dividend Policy

The Issuer will retain any future earnings for use in its business and does not expect to pay dividends on the Common Shares in the foreseeable future. Any decision to pay dividends on Common Shares will be made by the Board of Directors on the basis of the earnings, financial requirements and other conditions existing at such time.

Prior Sales

In connection with the Change of Business, the Issuer completed the Concurrent Financing, raising $1,852,013.46 through the sale of the Concurrent Financing Units at a price of $0.11 per Concurrent Financing Unit. Each Concurrent Financing Unit consisted of one Common Share and one Concurrent Financing Warrant. Each Concurrent Financing Warrant is exercisable at a price of $0.115 per Common Share for a period of five years. The proceeds from the Concurrent Financing will be used to satisfy continued listing requirements and for investments that the Issuer will be making in the future. See "*Equity Financing*" under "*General Development of the Business*".

Stock Exchange Price

As at the date of this Listing Statement, the Common Shares are listed on the CSE under the symbol "AXCP". 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
April 1 - 26, 2022	0.115	0.115	0
March 2022	0.115	0.115	0
February 2022	0.115	0.115	0
January 2022	0.115	0.115	0
December 2021	0.115	0.115	0
November 2021	0.115	0.115	0
October 2021	0.115	0.115	0
Q3 2021	0.115	0.115	0
Q2 2021	0.115	0.115	0
Q1 2021	0.115	0.115	0
Q4 2020	0.115	0.115	0
Q3 2020	0.15	0.105	348,444

Period	High ($)	Low ($)	Volume
Q2 2020	0.15	0.075	1,038,862
Q1 2020	0.25	0.06	814,191

11. ESCROWED SECURITIES

There are 14,927,396 Common Shares which are subject to escrow (the "**Escrowed Shares**") pursuant to an escrow agreement dated April 26, 2022 (the "**Escrow Agreement**").

Designation or Class	Number of Common Shares	Percentage of Common Shares(1)
Common Shares	14,927,396	68.44%

Note:

(1) Based on 21,811,241 Common Shares issued and outstanding.

The Escrowed Shares are held in escrow in accordance with NP 46-201, which sets out a national escrow regime applicable to initial public distributions. Pursuant to NP 46-201, the Issuer is deemed to be an "emerging issuer", such that the Escrowed Shares will be released over a period of three years, as to 10% on listing, and an additional 15% every six months thereafter. The Issuer's transfer agent, Odyssey Trust Company, is the escrow agent named in the Escrow Agreement to administer the Escrowed Shares. The following is a list of those shareholders who currently beneficially own Escrowed Shares, each being Related Persons of Issuer:

Shareholder	Number of Common Shares	Percentage of Common Shares(1)
Kenneth Cotiamco	90,909	0.42%
Robert Dubeau	215,545	0.99%
Carson Seabolt	5,795,909	26.57%
Mario Vetro	5,643,215	25.87%
Forestxholdings Ltd.	3,181,818	14.59%
TOTAL	14,927,396	68.44%

Note:

(1) Based on 21,811,241 Common Shares issued and outstanding.

12. PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Issuer, as at the date of this Listing Statement, the following persons are expected to beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares:

Name and Residence of Securityholder	Number of Common Shares	Percentage of Common Shares(1)
Carson Seabolt(2) British Columbia	5,795,909(4)	26.57%

Name and Residence of Securityholder	Number of Common Shares	Percentage of Common Shares(1)
Mario Vetro(3) British Columbia	5,643,215(5)	25.87%
Forestxholdings Ltd.(6) British Columbia	3,181,818	14.59%

Notes:

(1) Based on 21,811,241 Common Shares issued and outstanding.
(2) Mr. Seabolt is a director of the Issuer
(3) Mr. Vetro is a director of the Issuer
(4) Includes 590,831 Common Shares beneficially owned by Mr. Seabolt.
(5) Includes 802,967 Common Shares beneficially owned by Mr. Vetro.
(6) The principal of Forestxholdings Ltd. is Karan Tak.

13. DIRECTORS AND OFFICERS

Directors and Officers

The following table sets out information regarding each of the Issuer's directors and executive officers, including the name, municipality of residence, position or office held with the Issuer and principal occupation of each director and executive officer of the Issuer, as well as the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, excluding common shares issued on the exercise of convertible securities. The term of office of each director will expire at the close of the next annual general meeting, unless such director resigns or otherwise vacates office before that time.

Name, Province, Country of Residence, and Position(s) with the Issuer	Principal Occupation Business, or Employment	Date Appointed as Director or Officer	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.	August 31, 2018	Nil(3)
Kenneth Cotiamco(2) CEO and Director British Columbia, Canada	Managing Partner, Skanderbeg Capital Advisors	July 23, 2021	90,909
Robert Dubeau Director British Columbia, Canada	Businessman	July 23, 2021	215,545
Carson Seabolt(2) Director British Columbia, Canada	Partner, Skanderbeg Capital Advisors	July 23, 2021	5,795,909
Mario Vetro Director British Columbia, Canada	Partner, Skanderbeg Capital Advisors	July 23, 2021	5,643,215

Name, Province, Country of Residence, and Position(s) with the Issuer	Principal Occupation Business, or Employment	Date Appointed as Director or Officer	Number of Shares Beneficially Owned, or Controlled Directed, Directly or Indirectly(1)
Kelvin Lee CFO British Columbia, Canada	Director of Finance at K2 Capital	Proposed on relisting	Nil

Notes:

(1) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, is as of April 26, 2022, and has been furnished to the Issuer 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 13, 2023.

Board Committees

Pursuant to the provisions of the BCBCA, the Issuer will be required to have an audit committee. The Issuer will have an audit committee (the "**Audit Committee**") consisting of Desmond Balakrishnan, Kenneth Cotiamco and Carson Seabolt.

The Board of Directors will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Audit Committee will be to assist the Board of Directors in discharging the oversight of:

- the integrity of the Issuer's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- the Issuer's compliance with legal and regulatory requirements;
- the Issuer's external auditors' qualifications and independence;
- the work and performance of the Issuer's financial management and its external auditors; and
- the Issuer's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Board of Directors.

It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about the Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Board of Directors on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Issuer is a "venture issuer" as defined in NI 52-110 and relies upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no proposed director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or within 10 years before the date of this Listing Statement has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Issuer being the subject of a cease trade or similar order or an order that denied the relevant Issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days

(c) 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; or

(d) within 12 months 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.

Desmond Balakrishnan, a director of the Issuer, was a director of Aroway Energy Inc., 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.

Penalties or Sanctions

No proposed director or executive officer of the Issuer, or a shareholder holding a sufficient number of the Issuer's securities to affect materially the control of the Issuer, has been subject to:

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

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No proposed director or executive officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Conflicts of Interest

Certain of the proposed directors and officers of the Issuer are currently, or may in the future become, involved in managerial or director positions with other issuers, both reporting and non-reporting, whose operations may, from time to time, be in direct competition with those of the Issuer or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Issuer.

In such event, the directors and officers of the Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests which they may have in any project or opportunity of the Issuer and abstain from voting thereon. In determining whether or not the Issuer will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at that time.

The proposed directors and officers of the Issuer also have either other employment or other business or time restrictions placed on them and accordingly, these directors and officers will only be able to devote part of their time to the affairs of the Issuer.

Conflicts, if any, will be subject to the procedures and remedies prescribed by the BCBCA, the CSE and applicable securities law, regulations and policies. See "*Risk Factors*".

Management and Board Details

The following sets out details respecting the management and Board of Directors of the Issuer on completion of the Issuer's transition to an investment issuer and filing of the Listing Statement:

Kenneth Cotiamco, 42 (CEO) (Director)

With well over a decade of corporate finance and investment planning experience, Mr. Cotiamco executes capital market strategies that are complimentary to co-investment partners and financiers. Mr. Cotiamco graduated from the University of British Columbia with a Bachelors of Science in Biology in 2003. In 2007, Mr. Cotiamco earned a Financial Management Diploma from the British Columbia Institute of Technology. In 2007, he also completed the Canadian Securities Course with the Canadian Securities Institute. Mr. Cotiamco spent several years with Scotia Securities advising middle-market families with all aspects of wealth planning. He spent several years with Leede Jones Gable, one of Canada's top rated independent investment firms, leading several TSX Venture and CSE listings raising well over a quarter billion dollars.

Mr. Cotiamco will devote approximately 20% of his time to the affairs of the Issuer.

Kelvin Lee, 43 (CFO)

Mr. Lee has over 15 years of extensive financial management experience with publicly traded companies. He is formerly CFO of Freeman Gold Corp. and prior, had progressively senior roles from Corporate Controller, VP Finance and Administration to Chief Financial Officer, for a TSXV listed gold producer with $400 million in revenue over nine years. His responsibilities included development and execution of financial strategy and operations, including regulatory reporting, financial planning and analysis, treasury, tax and audit. He also held prior Controller positions in the mining industry with various publicly traded companies including Prodigy Gold Inc. that was acquired for $340 million. Kelvin is currently CFO and Director of MegaWatt Lithium and Battery Metals Corp.; and CFO and Director of Karam Minerals Inc.; and CFO of Mantaro Silver Corp. Mr. Lee is a CPA, CGA (British Columbia).

Mr. Lee will devote 20% of his time to the business of the Issuer to effectively fulfill his duties as CFO of the Issuer. Mr. Lee has not entered into a non-competition or non-disclosure agreement with the Issuer.

Robert Dubeau, 35 (Director)

Mr. Dubeau is an experienced British Columbia-based investor and businessperson. From 2008 to 2021, he worked as an auditor for the Government of Canada. Mr. Dubeau earned diplomas in business management and accounting, in 2006 and 2008, respectively, from Kwantlen Polytechnic University. Mr. Dubeau has valuable information gathering and diligence gathering experience and is currently an officer/director of United Battery Metals Ltd, listed on the CSE.

Mr. Dubeau will devote approximately 20% of his time to the affairs of the Issuer.

Desmond Balakrishnan, 50 (Director)

Mr. Balakrishnan is a corporate securities lawyer having over 23 years of experience in mergers, acquisitions, public listings and public company maintenance in various industry sectors, including natural resource, gaming, technology and cannabis. Mr. Balakrishnan is a director of reporting issuers listed on the CSE, TSX Venture Exchange, Toronto Stock Exchange and New York Stock Exchange.

Mr. Balakrishnan will devote approximately 5% of his time to the affairs of the Issuer.

Carson Seabolt, 41 (Director)

Mr. Seabolt is a seasoned investor and financier that is well versed in finance and marketing strategies for micro-cap private and public Canadian companies. Mr. Seabolt has expertise in identifying undervalued companies and introducing these opportunities to his buy side network of clients, strategic co investors and marketing participants. Mr. Seabolt and his partners have a proven track record of being able to raise capital, increase investor awareness, and liquidity. Mr. Seabolt was previously active with a leading Toronto-based merchant bank focused on the global resource sectors. In 2010, he 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. Mr. Seabolt has been a Partner at Skanderbeg Capital Advisors since 2014.

Mr. Seabolt will devote approximately 5% of his time to the affairs of the Issuer.

Mario Vetro, 36 (Director)

Mr. Vetro has extensive experience in structuring and advising resource and special situations companies. From 2003 to 2008, Mr. Vetro was the Senior Field Manager at Vetor Marketing. From 2008 to 2013, he worked as an investor relations specialist with Vector Marketing. Mr. Vetro has been a Partner at Saknderbeg Capital Advisors since 2014. Mr. Vetro has built a track record of helping to finance and grow public companies, as well as increase their liquidity through a global financial network. In 2007, Mr. Vetro earned a Bachelor of Political Science from the University of British Columbia.

Mr. Vetro will devote approximately 5% of his time to the affairs of the Issuer.

14. CAPITALIZATION

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	21,811,241	40,504,012	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons who beneficially own or control, directly or indirectly, more than a	14,927,396	29,727,347[1]	68.02%	72.97%

5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)				
Total Public Float (A-B)	6,883,845	10,776,665	31.56%	26.61%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	16,954,652	35,829,384	77.73%	87.95%
Total Tradeable Float (A-C)	4,856,589	4,674,628	22.27%	11.54%

Note:

(1) Includes 10,000 options held by Desmond Balakrishnan, 31,571 options held by Kevin Ma, 8,000 options held by Michael Vogel, 4,000 options held by Dominic Vogel and 800 options held by Jon Yan.

Public Securityholders (Registered)

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities(1)
1 – 99 securities	37	1,310
100 – 499 securities	24	7,909
500 – 999 securities	6	4,340
1,000 – 1,999 securities	9	10,321
2,000 – 2,999 securities	3	6,856
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	5	22,963
5,000 or more securities	12	16,011,963
TOTAL	96	16,065,662

Notes:

(1) Current as of February 14, 2022.
(2) This number includes the aggregate holdings of the Canadian Depository (CDS) (4,720,317 Common Shares).

Public Securityholders (Beneficial)

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities(1)
1 – 99 securities	278	11,003
100 – 499 securities	324	81,664

500 – 999 securities	138	97,120
1,000 – 1,999 securities	158	205,485
2,000 – 2,999 securities	78	173,097
3,000 – 3,999 securities	39	127,814
4,000 – 4,999 securities	43	182,484
5,000 or more securities	136	3,805,927
TOTAL	1,194	4,684,594

Note:

(1) Current as of February 15, 2022.

Non-Public Securityholders (Registered)

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	6	16,109,215
TOTAL	6	16,109,215

Convertible Securities

The following are details for any securities convertible or exchangeable into Common Shares:

Description of Security (include conversion/exercise terms, including conversion/exercise price)(1)			Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Exercise Price	Expiry Date	Type of Security		
$8.75[(2)]	March 13, 2023	Options	54,371	54,371
N/A	N/A	RSUs	Nil	Nil
$0.115	February 7, 2027	Warrants	15,654,825	15,654,825
$0.115	February 7, 2027	Finder’s Warrants	1,565,582	1,565,582
$0.115	March 31, 2027	Warrants	1,181,661	1,181,661
$0.115	March 31, 2027	Finder’s Warrants	236,332	236,332

Notes:

(1) See "*Options to Purchase Securities*" above.
(2) As of December 31, 2020, the Issuer had 54,371 stock options outstanding at an exercise price of $8.75 per share on a post-consolidation basis (as the original exercise price was $0.35 per share, and the consolidation occurred on a one-post consolidated Common Share for every twenty-five pre-consolidation Common Shares basis), with a weighted average exercise price of $8.75 and a weighted average of 3.20 remaining years of life.

15. EXECUTIVE COMPENSATION

Axcap Ventures Inc.

Compensation Discussion and Analysis

The Issuer's policies on compensation for its executive officers are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievements in the context of the Issuer. The overriding principles in establishing executive compensation provide that compensation should:

(a) reflect fair and competitive compensation commensurate with an individual's experience and expertise in order to attract and retain highly qualified executives;

(b) reflect recognition and encouragement of leadership, entrepreneurial spirit and team work;

(c) reflect an alignment of the financial interests of the executives with the financial interest of the Issuer's shareholders;

(d) include stock options and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives;

(e) reflect a contribution to enhancement of shareholder value; and

(f) provide incentive to the executives to continuously improve operations and execute on corporate strategy.

Goals and Objectives

The Issuer's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of the Issuer. Executive compensation is comprised of three elements: base fee or salary, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (stock options). The Board of Directors reviews all three components in assessing the compensation of individual executive officers and of the Issuer as a whole.

Base fees or salaries and bonuses (discretionary) are intended to provide current compensation and a short-term incentive for executive officers to meet the Issuer's goals, as well as to remain competitive with the industry. Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the executive officers. Executive officers will also be eligible to receive discretionary bonuses as determined by the Board of Directors from time to time based on each officer's responsibilities, his or her achievement of individual and corporate objectives and the Issuer's financial performance. Cash bonuses are intended to reward the executive officers for meeting or exceeding the individual and corporate performance objectives set by the Issuer's board.

Stock options are an important part of the Issuer's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of Common Shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Common Shares and enable executives to acquire and maintain a significant ownership position in the Issuer. Stock options also represent an additional form of compensation to the Issuer's executive officers without directly impacting the Issuer's cash resources.

Summary Compensation Table

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to Named Executive Officers and members of the Board for the three most recently completed financial years ended December 31, 2021, December 31, 2020 and December 2019. Options and compensation securities are disclosed under the heading "Incentive Plan Awards" 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	2021 2020 2019	Nil Nil 151,667	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil 151,667
Kevin Ma[3] CFO and Director	2021 2020 2019	180,000 189,000 158,400	Nil Nil 95,000	Nil Nil Nil	Nil Nil Nil	180,000[4] Nil 54,034	360,000 189,000 317,181
Michael Vogel[5] Former CEO, V.P. Technology and Director	2021 2020 2019	31,500 117,000 120,000	Nil Nil 15,000	Nil Nil Nil	Nil Nil Nil	Nil Nil 13,692	31,500 117,000 171,686
Desmond Balakrishnan[6] Director	2021 2020 2019	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil 17,115	Nil Nil 17,115
Emmery Wang[7] Former Director	2021 2020 2019	44,551 24,089 Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	44,551 24,089 Nil
Mark Healy[8] Former Director	2021 2020 2019	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Alex Tong[9] Former Director	2021 2020 2019	Nil Nil 83,930	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil 83,930

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 on August 31, 2018.
(4) Change of control payment made on August 24, 2021.
(5) Mr. Vogel was appointed VP Technology and elected to the Board on March 8, 2018. Mr. Vogel was appointed interim CEO on July 31, 2019. Mr. Vogel ceased
(6) Mr. Balakrishnan was elected to the Board on August 31, 2018.

(7) Ms. Wang was elected to the Board on July 24, 2019.
(8) Mr. Healy was a director of the Board from May 8, 2018 to July 24, 2019.
(9) Mr. Tong was a director of the Board from August 31, 2018 to March 12, 2020.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out information regarding and securities convertible or exchangeable into any class of listed securities:

Description of Security	Number of Convertible / Exchangeable Securities Outstanding	Number of Listed Securities Issuable Upon Conversion / Exercise
Stock Options	54,371[1]	54,371

Note:

(1) As of December 31, 2020, the Issuer had 54,371 stock options outstanding at an exercise price of $0.35 per share, with a weighted average exercise price of $8.75 and a weighted average of 3.20 remaining years of life.

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards or share-based awards were vested in, and no non-equity incentive plan compensation was earned by, the Named Executive Officers during the year ended December 31, 2020.

Pension Plan Benefits

The Issuer does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

Termination and Change of Control Benefits

The Issuer has not entered into any compensatory plans, contracts or arrangements with any of its Named Executive Officers whereby such officers are entitled to receive compensation as a result of the resignation, retirement or any other termination of employment of the Named Executive Officer with the Issuer or from a change in control of the Issuer or a change in the Named Executive Officer's responsibilities following a change in control.

Management / Employment Contracts

The Issuer does not currently have any management/employment agreements in place with its Named Executive Officers.

Share-based awards, option-based awards and non-equity incentive plan compensation

Outstanding Share-Based Awards and Option-Based Awards

As of December 31, 2021, there were no option-based or share-based awards outstanding to the non-executive directors of the Issuer.

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards or share-based awards were vested in, and no non-equity incentive plan compensation was earned by, the non-executive directors of the Issuer during the year ended December 31, 2021.

Issuer

Compensation Discussion and Analysis

It is anticipated that the objectives, criteria and analysis of the compensation of the executive officers of the Issuer will be, in all material respects, the same as the Issuer's current philosophy and policies on executive compensation. See "*Executive Compensation – Axcap Ventures Inc.*" above. Notwithstanding the foregoing, there may be circumstances where, for sound business reasons, the Board of Directors determines that another compensation strategy is in the best interests of the Issuer.

Summary Compensation Table

The following table summarises the proposed compensation to be paid by the Issuer to its CEO and CFO, and each other executive officers whose total compensation is anticipated to exceed $150,000 (collectively, the "**Proposed Named Executive Officers**") during the twelve-month period following completion of the Change of Business.

SUMMARY COMPENSATION TABLE								
Name and Principal Position	**Salary ($)**	**Share based Awards(1)**	**Option-Based Awards ($)**	**Non-Equity Incentive Plan Compensation**		**Pension Value(1)**	**All Other Compensation ($)**	**Total Compensation($)(1)**
				Annual Incentive Plans ($)	**Long-Term Incentive Plans ($)**			
Kenneth Cotiamco, CEO	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kelvin Lee, CFO (proposed on relisting)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) The Issuer does not currently intend to issue the executive officers of the Issuer or the directors of the Issuer any share-based awards during the 12 months following completion of the acquisition. In addition, no benefits are proposed to be paid to any of the executive officers of the Issuer or director of the Issuer under any pension or retirement plan or under any deferred compensation plan during the 12 months following completion of the Change of Business.

Incentive Plan awards

As of the date of this Listing Statement, the Issuer does not currently intend to grant any stock options to its Proposed Named Executive Officers upon completion of the Change of Business. Any future grants of incentive stock options will be as determined by the Board of Directors from time to time.

As of the date of this Listing Statement, the Issuer does not propose to grant any share-based awards to its Proposed Named Executive Officers during the first 12 months following completion of the Change of

Business.

See also "*Options to Purchase Securities*" above.

Pension Plan Benefits

As of the date of this Listing Statement, the Issuer does not expect to establish any pension, retirement or deferred compensation plans, including defined contribution plans, for its proposed Named Executive Officers in the first 12 months following completion of the Change of Business.

Termination and Change of Control Benefits

The Issuer does not currently have any compensatory plan, contract or agreement with any Named Executive Officer.

Compensation of Directors

Following completion of the Change of Business, it is anticipated that the non-executive directors of the Issuer will not receive cash compensation in their capacities as directors of the Issuer. The directors of the Issuer will be entitled to reimbursement for transportation and other out-of-pocket expenses incurred for attendance at Board of Directors meetings and in connection with discharging their director functions.

Non-executive directors of the Issuer will also be entitled to receive incentive stock options as determined by the Board of Directors from time to time. As of the date of this Listing Statement, the Issuer does not currently intend to grant any stock options to non-executive directors of the Issuer upon completion of the Change of Business.

See also "*Options to Purchase Securities*" above.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Issuer or person who acted in such capacity in the last financial year of the Issuer, or proposed director or officer of the Issuer, or any Associate of any such director or officer is, or has been, at any time since the beginning of the most recently completed financial year of the Issuer, indebted to the Issuer nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer.

17. RISK FACTORS

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

The risks presented below may not be all of the risks that the Issuer may face. The Issuer 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 Issuer'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 Issuer, must be paid by the Issuer 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 Issuer 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 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 Issuer Status

As an investment issuer, essentially all of the Issuer's operating assets are the capital stock of its Investments. As a result, investors in the Issuer are subject to the risks attributable to its Investments. As an investment issuer, the Issuer conducts substantially all of its business through its Investments, which generate substantially all of its revenues. Consequently, the Issuer'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 Issuer. 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 Issuer'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 Issuer.

Competition for Investments

There is potential that the Issuer 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 Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the Issuer's ability to acquire Investments.

To remain competitive, the Issuer 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 Issuer 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 Issuer.

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 Issuer'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 Issuer 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 Issuer's control, including the following:

- actual or anticipated fluctuations in the Issuer'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 Issuer operates;
- addition or departure of the Issuer'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 Issuer's industry generally and its business and operations;
- announcements of developments and other material events by the Issuer 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 Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Issuer 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 Issuer'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 Issuer'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 Issuer'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 Issuer.

Lack of Operating History

Many of the Issuer's Investments have only recently started to carry their businesses. The Issuer 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 Issuer to meet any of these conditions could have a materially adverse effect on the Issuer and may force it to reduce, curtail, or discontinue operations. There is no assurance that the Issuer 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 Issuer may not successfully address all of the risks and uncertainties or successfully implement its existing and new products and services. If the Issuer 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 Issuer accomplishes these objectives, the Issuer may not generate the anticipated positive cash flows or profits. No assurance can be given that the Issuer can or will ever be successful in its operations and operate profitably.

Reliance on Management and Key Personnel

The success of the Issuer 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 Issuer attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Issuer'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 Issuer's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Issuer's business, operating results or financial condition.

Additional Financing

The Issuer'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 Issuer's business model requires spending money (primarily on, licensing, advertising and marketing) in order to generate revenue. Based on the Issuer's current financial situation, the Issuer 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 Issuer's business plan, the Issuer 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 Issuer when needed or on terms which are acceptable. The Issuer's inability to raise financing to support on-going operations or to fund capital expenditures could limit the Issuer's operations and may have a material adverse effect upon future profitability. The Issuer 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 Issuer to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Issuer may be required to reduce, curtail, or discontinue operations. There is no assurance that the Issuer's future cash flow, if any, will be adequate to satisfy its ongoing operating expenses and capital requirements.

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

Damage to the Issuer'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 Issuer and its activities, whether true or not. Although the Issuer 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 Issuer 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 Issuer'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 Issuer'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 Issuer to retain persons capable of providing that knowledge base to the Issuer. Additionally, factors in each of these sectors and any other that the Issuer ultimately invests in could result in a decrease in the value of the Investment, which may impact the Issuer's business.

Operating Risk and Insurance Coverage

The Issuer will obtain and maintain insurance to protect its assets, operations and employees. There are no guarantees that the Issuer will be able to find adequate insurance coverage in the future or that the cost will be affordable to the Issuer. While the Issuer 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 Issuer is exposed. In addition, no assurance can be given that such insurance will be adequate to cover all of the Issuer's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Issuer were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Issuer 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 Issuer experience rapid growth and development in its business in a relatively short period of time the Issuer may encounter growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer 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 Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Conflicts of Interest

Certain of the directors and officers of the Issuer are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Issuer and as officers and directors of such other companies. See "*Directors and Officers of the Issuer – Conflicts of Interest*" above.

Litigation

The Issuer 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 Issuer which may affect the operations and business of the Issuer.

The Issuer 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 Issuer becomes involved be determined against the Issuer such a decision could adversely affect the Issuer's ability to continue operating and the market price for Common Shares and could use significant resources. Even if the Issuer is involved in litigation and wins, litigation can redirect significant company resources.

COVID-19 Coronavirus Outbreak

The Issuer is vulnerable to the general economic effects of epidemics/pandemics and other public health crises, such as COVID-19. Since December 31, 2019, the outbreak of COVID-19 has resulted in governments worldwide, including Canada, the United States and the European Union, enacting emergency measures to combat the spread of the virus. Although vaccines have been developed, their rate of vaccine deployment has been slow in many regions of the world, including Canada, the United States and the European Union. New coronavirus variants are continuing to spread and there is no guarantee that the vaccines will continue to be effective against new coronavirus variants, and geographic regions may continue to experience government-imposed lock-downs and public health emergencies. Recently, travel into Canada from countries with high-levels of COVID-19 variants has been restricted, and implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally. Governments and central banks have reacted to the COVID-19 pandemic with significant monetary and fiscal interventions designed to stabilize economic conditions. Due to the COVID-19 variants, the duration and impact of the COVID-19 pandemic remain unknown at this time, as is the continued efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Issuer. To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of the Issuer is suspended, scaled back or disrupted, it may have a material adverse impact on the Issuer's profitability, results of operations, financial condition and the trading price of the Issuer's securities. To the extent that the Issuer's management or other personnel are unavailable to work due to the COVID-19 pandemic, whether due to illness, government action or otherwise, it may have a material adverse impact on the Issuer's profitability, results of operations, financial condition and the trading price of the Issuer's securities. The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse impact on the Issuer's profitability, results of operations, financial conditions and the trading price of the Issuer's securities.

18. PROMOTERS

Mario Vetro may be considered a Promoter of the Issuer for the purposes of applicable securities laws, as he took the initiative in organizing and financing the Issuer. Mr. Vetro beneficially owns 5,643,215 Common Shares. For further information regarding Mr. Vetro see "*Directors and Officers*" above.

Other than as disclosed in this Listing Statement, Mr. Vetro has not received, directly or indirectly, anything of value, including money, property, contracts, options or rights of any kind from the Issuer, and the Issuer has not received any assets, services or other consideration from Mr. Vetro in return.

No promoter of the Issuer has, within 10 years prior to the date of this Listing Statement, been a director, chief executive officer, or chief financial officer of any person, that was subject to an order that was issued while the promoter was acting in such capacity, or was subject to an order that was issued after the promoter ceased to act in such capacity and which resulted from an event that occurred while the promoter was acting in such capacity.

No promoter of the Issuer is, as at the date of this Listing Statement, or has been within the 10 years prior to the date of this Listing Statement, a director or executive officer of any person that, while the promoter was acting in that capacity, or within 12 months 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 promoter of the Issuer has, within the 10 years prior to the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter

19. LEGAL PROCEEDINGS

As of the date of this Listing Statement, there are no legal proceedings to which the Issuer is a party or of which any of its property is the subject matter. Additionally, to the reasonable knowledge of the management of the Issuer, there are no such proceedings contemplated.

As of the date of this Listing Statement, there are no legal proceedings to which any of the Investee Companies is a party or of which any of its property is the subject matter. Additionally, to the reasonable knowledge of the management of each of the Investee Companies, there are no such proceedings contemplated.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Issuer, principal shareholders, or any Associate or Affiliate of such persons, has or has had any material interest, direct or indirect, in any material transaction within the three years before the date of this Listing Statement or in any proposed transaction that has materially affected or may affect the Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

The current auditors of the Issuer, Manning Elliott Chartered Professional Accountants, located at 1700 – 1030 W. Georgia St. Vancouver, BC V6E 2Y3, will be the auditors of the Issuer.

The Issuer's registrar and transfer agent, Odyssey Trust Company, located at 350 – 409 Granville St, Vancouver, BC V6C 1T2 will be the registrar and transfer agent of the Issuer.

22. MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Issuer has no material contracts entered into in the past two years.

23. INTEREST OF EXPERTS

The predecessor auditor of the Issuer, MNP LLP ("**MNP**"), audited the financial statements of Netcoins for the years ended December 31, 2018 and December 31, 2019. The current auditor of the Issuer, Manning Elliott LLP ("**Manning**", and together with MNP, the "**Auditors**"), audited the financial statements of Netcoins for the year ended December 31, 2020. The Auditors are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia. Based on information provided by the Auditors, the Auditors have not received nor will receive any direct or indirect interests in the property of the Issuer. Neither the Auditors nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Issuer or the Issuer or its Associates and Affiliates.

24. OTHER MATERIAL FACTS

The Issuer is not aware of any other material facts relating to the Issuer, the Issuer or the Investee Companies that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer.

25. CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Axcap hereby applies for the listing of the above-mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to Axcap. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 26 day of APRIL 2022.

signed: "Kenneth Cotiamco"

KENNETH COTIAMCO
Chief Executive Officer

signed: "Kelvin Lee"

KELVIN LEE
Chief Financial Officer

signed: "Carson Seabolt"

CARSON SEABOLT
Director

signed: "Mario Vetro"

MARIO VETRO
Director

ON BEHALF OF THE PROMOTER

Dated at Vancouver, British Columbia this 26 day of APRIL 2022.

signed: "Mario Vetro"

MARIO VETRO
Promoter

SCHEDULE "A" – AUDITED FINANCIAL STATEMENTS OF NETCOINS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 AND UNAUDITED INTERIM FINANCIAL STATEMENTS OF NETCOINS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

[*Please see attached*]

NETCOINS HOLDINGS INC.

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

(EXPRESSED IN CANADIAN DOLLARS)

manning elliott

17th floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3

Tel: 604. 714. 3600 **Fax:** 604. 714. 3669 **Web:** manningelliott.com

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

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

The accompanying notes are integral to these consolidated financial statements

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.

NETCOINS HOLDINGS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 and 2020

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

NETCOINS HOLDINGS INC.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020 (UNAUDITED)

(Expressed in Canadian Dollars)

		September 30, 2021		December 31, 2020
ASSETS				
Current Assets				
Cash and cash equivalents	$	221,935	$	164,729
Loans receivable (Note 5)		411,174		-
Prepaid expenses		9,900		-
		643,009		164,729
Marketable securities (Note 6)		1,220,812		2,927,000
Equipment		-		233
Total Assets	$	1,863,821	$	3,091,962
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables (Note 7)	$	194,519	$	620,769
Total Liabilities		194,519		620,769
EQUITY				
Share capital (Note 8)		22,353,190		22,353,190
Contributed surplus		760,511		760,511
Reserves (Notes 9 and 10)		4,991,141		4,991,141
Deficit		(26,435,540)		(26,633,649)
		1,669,302		2,471,193
Total Liabilities and Equity	$	1,863,821	$	3,091,962

Going Concern (Note 2)

Approved on behalf of the Board of Directors

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

NETCOINS HOLDINGS INC.
CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)
(Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	September 30, 2021	**September 30, 2020**	**September 30, 2021**	**September 30, 2020**
OPERATING EXPENSES				
Marketing and advertising	$ -	$ 16,923	$ -	$ 39,221
Bad debts				
Consulting fees	1,500	4,500	10,500	33,500
Depreciation	-	140	233	419
Office and administrative (Note 16)	64,327	189,862	414,327	468,356
Legal and professional fees (Note 16)	8,710	61,462	74,680	195,128
Rent	4,500	-	9,000	-
Transfer agent and regulatory fees	4,712	13,745	21,286	26,499
Travel	-	1,783	4,241	25,063
Operating Expenses	83,749	288,415	534,267	788,186
OTHER INCOME (EXPENSES)				
Interest income (Note 5)	18,266	3,770	31,660	8,975
Interest expense	(1)	-	(4)	(2)
Foreign exchange gain (loss)	(80)	(62)	(78)	244
Gain on de-recognition of debt	-	-	302,769	-
Recovery of GST written off	31,759	-	6,587	-
Gain (loss) on sale of marketable securities	(137,314)	55,062	1,075,541	55,062
Gain (loss) on fair value of marketable securities (Note 6)	(191,037)	1,010,800	(63,812)	1,420,800
Gain on fair value of investments in warrants	(29,912)	1,287,874	(1,620,287)	1,579,984
Other Income (Loss)	(308,319)	2,357,444	(267,624)	3,065,063
NET AND COMPREHENSIVE INCOME (LOSS)	$ (392,068)	$ 2,069,029	$ (801,891)	$ 2,276,877
Basic and diluted earnings (loss) per share (Note 15)	$ (0.08)	$ 0.43	$ (0.17)	$ 0.47
Weighted average number of shares outstanding (basic and diluted) (Note 15)	4,856,589	4,856,589	4,856,589	4,856,589

NETCOINS HOLDINGS INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)
(Expressed in Canadian Dollars)

		Nine Months Ended September 30, 2021		Nine Months Ended September 30, 2020
Cash Flows (used in) Operating Activities				
Net income (loss)	$	(801,891)	$	2,276,877
Adjustments for items not affecting cash				
Bad debt expense		-		-
Depreciation		233		419
Gain on de-recognition of debt		-		-
Gain on sale of marketable securities		(1,075,541)		(55,062)
(Gain) loss on fair value of marketable securities (Note 6)		1,620,287		(1,420,800)
(Gain) loss on fair value of investments in warrants (Note 6)		63,812		(1,579,984)
Interest income (Note 5)		(23,174)		(8,795)
		(216,274)		(787,525)
Changes in non-cash working capital:				
Trade and other receivables		-		(33,057)
Prepaid expenses		(9,900)		(26,320)
Trade and other payables		(426,250)		172,336
		(652,424)		(674,566)
Cash Flows provided by (used in) Investing Activities				
Purchase of investments		(1,012,912)		(950,000)
Sale of marketable securities		2,110,542		153,062
Loan advanced (Note 5)		(388,000)		(100,000)
		709,630		(896,938)
Changes in cash during the period		57,206		(1,571,504)
Cash and cash equivalents – Beginning of period		164,729		1,934,390
Cash and cash equivalents – End of period	$	221,935	$	362,886

Supplemental Information (Note 13)

NETCOINS HOLDINGS INC.
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)

(Expressed in Canadian Dollars, except number of shares)

	Common Shares										
	Number of Shares		Amount		Contributed Surplus		Reserves		Deficit		Total
Balance – December 31, 2019	4,816,589	$	22,253,190	$	760,511	$	4,991,141	$	(26,283,653)	$	1,821,189
Net income for the period	-		-		-		-		2,276,877		2,276,877
Balance – September 30, 2020	4,856,589		22,353,190		760,511		4,991,141		(24,006,776)		4,098,066
Net income for the period	-		-		-		-		(1,626,873)		(1,626,873)
Balance – December 31, 2020	4,856,589		22,353,190		760,511		4,991,141		(25,633,649)		2,471,193
Net loss for the period	-		-		-		-		(801,891)		(801,891)
Balance – September 30, 2021	4,856,589	$	22,353,190	$	760,511	$	4,991,141	$	(26,435,540)	$	1,669,302

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.

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 condensed consolidated interim 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 nine months ended September 30, 2021, the Company had a working capital of $448,490, has an accumulated deficit of $26,435,540, and negative cash flow from operations of $652,424. 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 condensed consolidated interim 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 condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent 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"). Accordingly, these condensed consolidated interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application the Company's audited financial statements for the year ended December 31, 2020. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued as of November 29, 2021, the date the Board of Directors approved the financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2020.

3. Basis of Preparation (continued)

a. Statement of Compliance (continued)

These condensed consolidated interim 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. Basis of Consolidation

These condensed consolidated interim 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; 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.

c. Functional and Presentation Currency

These condensed consolidated interim 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 entity is in Canadian dollars.

4. 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.

4. Critical Accounting Estimates and Judgements (continued)

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) in the audited financial statements for the year ended December 31, 2020.

(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.

(ii) 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.

5. 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.

In February 2021, the Company entered into a loan agreement with an unrelated US company (the "US Borrower") for principal of $388,000 with interest bearing at 10% per annum and the loan is due on demand when the US Borrower completes its next financing. As at September 30, 2021, the Company recorded accrued interest of $23,174. Subsequent to the nine months ended September 30, 2021, the Company received $411,675.21 as full repayment of the loan borrowed and interest accrued.

(Expressed in Canadian Dollars, except per share amounts)

6. 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 September 30, 2021 and December 31, 2020 are as follows:

		September 30, 2021		December 31, 2020
Opening Balance	$	2,927,000	$	-
Additions		1,012,912		1,465,000
Disposals		(1,035,000)		(315,000)
Fair value gain (loss)		(1,684,100)		1,777,000
Ending Balance	$	1,220,812	$	2,927,000

7. Trade and Other Payables

		September 30, 2021		December 31, 2020
Taxes payable	$	48,263	$	48,263
Trade payables		146,256		572,506
	$	194,519	$	620,769

Trade and other payables comprise primarily of trade payables incurred in the normal course of business. Included in trade payables are amounts total $nil (December 31, 2020 - $57,236) due to related parties (see Note 16).

8. Share Capital

a. Authorized Share Capital

The Company is authorized to issue unlimited number of common shares without par value. At September 30, 2021, the Company had 4,856,589 (December 31, 2020 – 4,856,589) common shares outstanding.

b. 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.

9. Warrants

As at September 30, 2021 and December 31, 2020, the Company did not have any issued and outstanding warrants.

10. 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 Company did not have any share-based expenses for the three and nine months ended September 30, 2021, respectively.

(Expressed in Canadian Dollars, except per share amounts)

10. Stock Options (continued)

Stock options outstanding and exercisable as at September 30, 2021 and December 31, 2020 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	2.45	$8.75	54,371	$8.75

11. 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 nine months ended September 30, 2021 and the year ended December 31, 2020.

12. 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		**September 30, 2021**		**December 31, 2020**
Financial Assets					
Cash and cash equivalents	FVTPL	$	221,935	$	164,729
Marketable securities	FVTPL	$	1,220,812	$	2,927,000
Loans receivable	Amortized cost	$	411,174	$	-
Financial Liabilities					
Trade and other payables	Amortized cost	$	194,519	$	620,769

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

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

12. Financial Instruments (continued)

		Balance at September 30, 2021		Quoted Prices in Active Markets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$	221,935	$	221,935	$	-	$	-
Marketable securities	$	1,220,812	$	342,000	$	815,000	$	63,812

There were no transfers between the levels of the fair value hierarchy during the nine months ended September 30, 2021 and the year ended December 31, 2020.

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 September 30, 2021, 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:

<u>Equity Price Risk</u>
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.

(Expressed in Canadian Dollars, except per share amounts)

13. Supplemental Cash Flow Information

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 5).

14. Segmented Information

The Company's primary business activities are located in Canada. All of the Company's assets, including head office, are located in Canada.

15. Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted earnings (loss) per share for the three and nine months ended September 30, 2021 and 2020:

		September 30, 2021		**September 30, 2020**		**September 30, 2021**		**September 30, 2020**
Numerator								
Net income (loss) for the period	$	(392,068)	$	2,069,029	$	(801,891)	$	2,276,877
Denominator								
Basic – weighted average number of shares outstanding		4,856,589		4,856,589		4,856,589		4,856,589
Effect of dilutive securities						-		-
Diluted – adjusted weighted average number of shares outstanding		4,856,589		4,856,589		4,856,589		4,856,589
Earnings (loss) per share – basic and diluted	$	(0.08)	$	0.43	$	(0.17)	$	0.47

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 three and nine months ended September 30, 2021 as the warrants and stock options were anti-dilutive.

(Expressed in Canadian Dollars, except per share amounts)

16. Related Party Transactions

During the three and nine months ended September 30, 2021 and 2020, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	**September 30, 2020**	**September 30, 2021**	**September 30, 2020**
Management	$ 71,250	$ 77,250	$ 381,750	$ 236,250
Directors	21,710	26,957	41,680	65,360
	$ 92,960	$ 104,207	$ 423,430	$ 301,610

Due to Related Parties

As at September 30, 2021 and December 31, 2020, the Company has the following amounts due to related parties:

	September 30, 2021	**December 31, 2020**
Accounts payable and accrued liabilities	$ -	$ 57,236

SCHEDULE "B" – MANAGEMENT'S DISCUSSION & ANALYSIS OF NETCOINS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 AND UNAUDITED INTERIM FINANCIAL STATEMENTS OF NETCOINS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

[*Please see attached*]

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".

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.

- 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.

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, 2020 and 2019.

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 THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

GENERAL

This Management's Discussion and Analysis of Netcoins Holdings Inc. ("Netcoins" or the "Company") ("MD&A") is dated November 29, 2021, provides analysis of the Company's financial results for the three and nine months ended September 30, 2021 compared to the three and nine months ended September 30, 2020. The following information should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and 2020 with accompanying notes and the audited consolidated financial statements and related notes for the year ended December 31, 2020 and 2019, 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 annual audited 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 public technology company (in the esports field).

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 and nine months ended September 30, 2021 is summarized as follows, reported in Canadian dollars except for per share amounts:

	Three Months Ended		Nine Months Ended	
	September 30, 2021 ($)	September 30, 2020 ($)	September 30, 2021 ($)	September 30, 2020 ($)
Operating expenses	(83,849)	(288,415)	(534,267)	(788,186)
Other gains (losses)	(308,319)	2,357,444	(267,891)	3,065,063
Net income (loss)	(392,068)	2,069,029	(801,891)	2,276,877

	September 30, 2021 ($)	December 31, 2020 ($)
Current assets	643,009	164,729
Current liabilities	194,519	620,769
Total assets	1,863,821	3,091,962
Total Liabilities	194,519	620,769

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

Operating expenses

Expenses for the three months ended September 30, 2021 were $83,749, compared to $288,415 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Office and administrative fees: $64,327 compared to $189,862 during the same period in 2020; the Company incurred less in management fees as some fees were reduced in 2021 due to less activity in the Company.
- Professional fees: $8,710 compared to $61,462 during the same period in the prior year; the Company paid more in legal and accounting fees in 2020.
- Transfer agent & regulatory fees: $4,712 for the three months ended September 30, 2021 compared to $13,745 during the same period in 2020.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

Operating expenses
Expenses for the nine months ended September 30, 2021 were $534,267, compared to $788,186 incurred the same period in the prior year. The significant differences in expenditures were as follows:

- Office and administrative fees: $414,327 compared to $468,356 during the same period in 2020; the Company incurred lesser management fees in 2021 as some fees were reduced in 2021 due to less activity in the Company.
- Professional fees: $74,680 compared to $195,128 during the same period in the prior year; the Company paid more in legal and accounting fees in 2020.
- Transfer agent & regulatory fees: $21,286 for the nine months ended September 30, 2021 compared to $26,499 during the same period in 2020.

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 September 30, 2021 and December 31, 2020, 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 nine months ended September 30, 2021 and the year ended December 31, 2020.

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 September 30, 2021, the Company had cash of $221,935 (December 31, 2020 - $164,729) and working capital of $448,490 (December 31, 2020 – working capital deficiency $456,040). The change in working capital at September 30, 2021 and December 31, 2020 was significant as the Company participated in the private placements of two unrelated companies during the year ended December 31, 2020 and the Company disposed some of its investments during the nine months ended September 30, 2021.

Cash used in operating activities was $652,424 during the nine months ended September 30, 2021, compared to $674,566 used in operating activities during same period in the prior year. The change in operating cash flows in 2021 is attributed primarily due to the gain on sales of the Company's investments in 2021.

Cash provided by investing activities was $709,630 during the nine months ended September 30, 2021, compared to the use of $896,938 during the same period in the prior year. The change in investing cash flows is attributed primarily to the sales of some of the Company's marketable securities which generated cash for the Company.

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.

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 three and nine months ended September 30, 2021 and 2020, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	**September 30, 2020**	**September 30, 2021**	**September 30, 2020**
Management	$ 71,250	$ 77,250	$ 381,750	$ 236,250
Directors	21,710	26,957	41,680	65,360
	$ 92,960	$ 104,207	$ 423,430	$ 301,610

Due to Related Parties

As at September 30, 2021 and December 31, 2020, the Company has the following amounts due to related parties:

	September 30, 2021	December 31, 2020
Accounts payable and accrued liabilities	$ -	$ 57,236

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 September 30, 2021, the Company was not exposed to currency risk.

BUSINESS RISKS AND UNCERTAINTIES

Additional information on risks and uncertainties relating to the Company's 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:

- 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.

- 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.

- 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.

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, 2020 and 2019.

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.