THE HASH CORPORATION (FORMERLY SENTERNET PHI GAMMA INC.)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2019

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of The Hash Corporation (formerly Senternet Phi Gamma Inc.) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

The Hash Corporation (formerly Senternet Phi Gamma Inc.)

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

		As at June 30, 2019		As at December 31, 2018
ASSETS				
Current assets				
Cash	**$**	**82,737**	$	105,724
Marketable securities		**1**		1
Total assets	**$**	**82,738**	$	105,725
LIABILITIES AND EQUITY (DEFICIENCY)				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**101,595**	$	59,281
Sales tax payable		**36,040**		39,795
Total liabilities		**137,635**		99,076
Equity (Deficiency)				
Share capital (note 3)		**3,845,851**		3,845,851
Equity reserves (note 5)		**82,538**		82,538
Deficit		**(3,983,286)**		(3,921,740)
Total equity (deficiency)		**(54,897)**		6,649
Total liabilities and equity (deficiency)	**$**	**82,738**	$	105,725

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)
Subsequent event (note 8)

The Hash Corporation (formerly Senternet Phi Gamma Inc.)

Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Operating expenses				
Professional fees and corporate services	**$ 26,477**	$ 121,031	**$ 53,595**	$ 129,321
Transfer agent's fees and expenses (note 7)	**6,743**	1,200	**7,951**	2,400
Office and general	**-**	2,215	**-**	2,215
	(33,220)	(124,446)	**(61,546)**	(133,936)
Net loss and comprehensive loss for the period	**$ (33,220)**	$ (124,446)	**$ (61,546)**	$ (133,936)
Basic and diluted net loss per share (note 6)	**$ (0.00)**	$ (0.01)	**$ (0.00)**	$ (0.01)
Weighted average number of common shares outstanding	**25,024,262**	17,274,262	**25,024,262**	10,064,318

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

The Hash Corporation (formerly Senternet Phi Gamma Inc.)

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
Operating activities		
Net loss for the period	**$ (61,546)**	$ (133,936)
Adjustments for:		
Changes in non-cash working capital items:		
Amounts receivable	**-**	(15,314)
Accounts payable and accrued liabilities	**42,314**	19,323
Sales tax payable	**(3,755)**	-
Net cash used in operating activities	**(22,987)**	(129,927)
Financing activities		
Proceeds from private placement, net of costs (note 3)	**-**	437,500
Advances from (repayments to) related parties	**-**	(148,937)
Net cash provided by financing activities	**-**	288,563
Net change in cash	**(22,987)**	158,636
Cash, beginning of period	**105,724**	29
Cash, end of period	**$ 82,737**	$ 158,665

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The Hash Corporation (formerly Senternet Phi Gamma Inc.)
Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)
Unaudited

	Share Capital		Equity		
	Number	Amount	reserve	Deficit	Total
Balance, December 31, 2017	**2,774,262**	**$ 3,490,889**	**$ -**	**$ (3,650,458)**	**$ (159,569)**
Private placement	22,250,000	445,000	-	-	445,000
Share issuance cost	-	(7,500)	-	-	(7,500)
Warrant valuation	-	(82,538)	82,538	-	-
Net (loss) and comprehensive (loss) for the period	-	-	-	(133,936)	(133,936)
Balance, June 30, 2018	**25,024,262**	**$ 3,845,851**	**$ 82,538**	**$ (3,784,394)**	**$ 143,995**
Balance, December 31, 2018	**25,024,262**	**$ 3,845,851**	**$ 82,538**	**$ (3,921,740)**	**$ 6,649**
Net (loss) and comprehensive (loss) for the period	-	-	-	(61,546)	(61,546)
Balance, June 30, 2019	**25,024,262**	**$ 3,845,851**	**$ 82,538**	**$ (3,983,286)**	**$ (54,897)**

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

1. Nature of operations and going concern

The Hash Corporation (formerly Senternet Phi Gamma Inc.) (the “Company”) was incorporated under the Business Corporations Act (Ontario) on March 28, 1967 as Northville Explorations Ltd. On January 22, 2014, the Company changed its name to Senternet Phi Gamma Inc. and on July 8, 2019 the name was changed to The Hash Corporation. The Company currently has no business activity and is focused on identifying a new project. The head office of the Company is located at 1 Adelaide Street East, Suite 80,1Toronto, Ontario, M5C 2V9.

The financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company incurred a net loss of $61,546 for the six months ended June 30, 2019 and as of that date the Company had cash of $82,737, and a deficit of $3,983,286.

Given that the Company has not generated any ongoing income nor cash flows from operations, there is significant doubt regarding the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to raise additional financing and to establish profitable operations (see note 8). The carrying amount of assets, liabilities, revenues and expenses presented in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of August 28, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending December 31, 2019 could result in restatement of these unaudited condensed interim financial statements.

2. Significant accounting policies (continued)

Adoption of new accounting standards

IFRS 16 Leases ("IFRS 16")

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019. Based on the Company's assessment, the Company has determined that this standard did not have a significant impact on its financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23")

IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Based on the Company's assessment, the Company has determined that this interpretation did not have a significant impact on its financial statements.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted. Based on the Company's assessment, the Company has determined that this standard will not have a significant impact on its financial statements.

(Expressed in Canadian Dollars)

3. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares.

In July 2019, the Company affected a 20-to-1 stock consolidation (the "Consolidation") (see note 8), which has been retrospectively applied in these financial statements. For clarity, all references to shares issued and price per share issued prior to Consolidation have been adjusted to the equivalent post-Consolidation numbers.

b) Common shares issued

	Number of common shares		Amount
Balance, December 31, 2017	2,774,262	$	3,490,889
Private placement (i)	22,250,000		445,000
Share issuance cost	-		(7,500)
Warrant valuation (i)	-		(82,538)
Balance, June 30, 2018, December 31, 2018 and June 30, 2019	25,024,262	$	3,845,851

(i) On May 4, 2018, the Company closed a non-brokered private placement of 22,250,000 units of the Company (each, a “Unit”) at $0.02 per Unit for gross proceeds of $445,000 (the “Offering”). Each Unit consisted of one common share in the share capital of the Company and one common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one additional common share at a price of $0.04 for a period of eighteen months from grant. All of the securities issued in connection with the Offering are subject to a statutory hold period under applicable securities laws for a minimum period of four months and one day after the date of issuance. The fair value of the warrants was determined to be $82,538. For purposes of calculating the fair value of the warrants, the following assumptions were used for the Black-Scholes model: Risk free interest rate 1.91%, Expected life – 1.5 years, Expected annual volatility – 79%, Expected dividends – Nil, Expected forfeiture rate – Nil.

(Expressed in Canadian Dollars)

4. Stock options

The Company maintains a share option plan (the "Plan") for the benefit of management, directors, officers, employees, and service providers. The Plan provides that the aggregate number of common shares available for issuance pursuant to options granted under the Plan is limited to 250,000 common shares. In general, the maximum number of common shares reserved for issuance in respect of any one individual may not exceed 5% or in respect of insiders of the Company, may not exceed 10% of the number of common shares issued and outstanding.

Options are granted under the Plan at the discretion of the Board of Directors at exercise prices determined as trading prices of the Company's common shares on the day preceding the effective date of the grant. In general, options granted under the Plan vest over a period of up to a maximum of five years from the grant date and expire no later than the fifth anniversary of the grant date.

	Number of stock options	Weighted average exercise price
Balance, December 31, 2017, June 30, 2018 and December 31, 2018	75,000	$ 1.00
Expired	(75,000)	(1.00)
Balance, June 30, 2018	-	$ -

5. Warrants

	Number of warrants	Amount
Balance, December 31, 2017	-	$ -
Issued	22,250,000	82,538
Balance, June 30, 2018, December 31, 2018 and June 30, 2019	22,250,000	$ 82,538

The following table reflects the warrants issued and outstanding as of June 30, 2019:

Expiry date	Exercise price ($)	Number of warrants
November 4, 2019	0.04	22,250,000

6. Income (loss) per share

For the three and six months ended June 30, 2019, basic and diluted income (loss) per share has been calculated based on the loss attributable to common shareholders of $33,220 and $61,546, respectively (three and six months ended June 30, 2018 - loss of $124,446 and $133,936, respectively) and the weighted average number of common shares outstanding of 25,024,262 and 25,024,262, respectively (three and six months ended June 30, 2018 - 17,274,262 and 10,064,318, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are antidilutive for the six months ended June 30, 2019.

7. Related party transactions

The following are balances with related parties:

(i) Heritage Transfer Agency Inc., a company controlled by a former director of the Company, had advances due on demand, and were unsecured and non-interest bearing. The amount of $99,729 was fully repaid during the year ended December 31, 2018.

(ii) The advances from a former director were unsecured with no stated terms of repayment. The amount of $49,208 was fully repaid during the year ended December 31, 2018.

(iii) For the three and six months ended June 30, 2019, the Company incurred $nil (three and six months ended June 30, 2018- $1,200 and $2,400, respectively) with Heritage for transfer agency services and corporate services.

8. Subsequent events

(i) On July 5, 2019, the Company announced that, subject to receipt of all required licences and to Health Canada approval for the sale of such products, the Company intends to change its business to focus on the production and sale of cannabis-based hashish and other cannabis concentrates (the "Change of Business"). Further to the proposed Change of Business, the Company intends to effect a series of related transactions designed to better align itself with the new business.

Change of Business
As part of the Change of Business, the Company intends to effect a series of transactions on or about July 8, 2019, including:

a) changing its name from "Senternet Phi Gamma Inc." to "The Hash Corporation" (the "Name Change");
b) effecting a consolidation (the "Consolidation") of its issued and outstanding common on the basis of one postconsolidation common share for every 20 pre-consolidation common shares (each post-consolidation common share, a "Post-Consolidation Share"); and
c) reconstituting the Company's board of directors and senior officers ("Board and Management Rollover").

Following the Name Change, Consolidation, and Board and Management Rollover (collectively, the "COB Items"), the Company (as it exists following the COB Items, the "Resulting Issuer") intends to effect a private placement of Post-Consolidation Shares at a price of $0.02 per share for gross proceeds of up to $1,500,000, or such greater number as the Resulting Issuer may determine (the "Offering"). In connection with the Offering, the Resulting Issuer may pay commissions to eligible persons comprised of cash and finder warrants.

Warrant Extension
In addition, the Company announces that it has extended the expiration date of the warrants issued in the Company's private placement that closed on May 4, 2019, with the new expiration date being the date that is three months following the date on which the Company's common shares are listed on a recognized stock exchange.