
**THE HASH CORPORATION (FORMERLY SENTERNET
PHI GAMMA INC.)**

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED

SEPTEMBER 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 September 30, 2019	As at December 31, 2018
ASSETS		
Current assets		
Cash	\$ 2,592,757	\$ 105,724
Marketable securities	1	1
Total assets	\$ 2,592,758	\$ 105,725
LIABILITIES AND EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 326,535	\$ 59,281
Sales tax payable	24,718	39,795
Total liabilities	351,253	99,076
Equity (Deficiency)		
Share capital (note 3)	5,653,115	3,845,851
Equity reserves (note 5)	1,807,238	82,538
Shares to be issued	513,500	-
Deficit	(5,732,348)	(3,921,740)
Total equity (deficiency)	2,241,505	6,649
Total liabilities and equity (deficiency)	\$ 2,592,758	\$ 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)

The Hash Corporation (formerly Senternet Phi Gamma Inc.)**Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****Unaudited**

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Operating expenses				
Professional fees and corporate services	\$ 36,764	\$ -	\$ 90,359	\$ 119,321
Transfer agent's fees and expenses (note 7)	7,886	38,035	15,837	49,235
Office and general	7,162	18	7,162	2,233
Salaries and wages (note 7)	142,650	-	142,650	-
Management fees (note 7)	35,000	-	35,000	-
Share-based payments (note 5)	1,519,600	-	1,519,600	-
	(1,749,062)	(38,053)	(1,810,608)	(170,789)
Net loss and comprehensive loss for the period	\$ (1,749,062)	\$ (38,053)	\$ (1,810,608)	\$ (170,789)
Basic and diluted net loss per share (note 6)	\$ (0.03)	\$ (0.00)	\$ (0.05)	\$ (0.01)
Weighted average number of common shares outstanding	63,354,857	25,024,167	37,941,469	14,999,442

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The Hash Corporation (formerly Senternet Phi Gamma Inc.)**Condensed Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Operating activities		
Net loss for the period	\$ (1,810,608)	\$ (170,789)
Adjustments for:		
Share-based payments	1,519,600	-
Changes in non-cash working capital items:		
Amounts receivable	-	(21,402)
Accounts payable and accrued liabilities	267,254	9,322
Sales tax payable	(15,077)	-
Net cash used in operating activities	(38,831)	(182,869)
Financing activities		
Proceeds from private placement, net of costs (note 3)	2,012,364	437,500
Advances from (repayments to) related parties	-	(148,937)
Proceeds from shares to be issued	513,500	-
Net cash provided by financing activities	2,525,864	288,563
Net change in cash	2,487,033	105,694
Cash, beginning of period	105,724	29
Cash, end of period	\$ 2,592,757	\$ 105,723

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 Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

Unaudited

	Share Capital		Shares to	Equity	Deficit	Total
	Number	Amount	be issued	reserve		
Balance, December 31, 2017	2,774,167	\$ 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	-	-	-	-	(170,789)	(170,789)
Balance, September 30, 2018	25,024,167	\$ 3,845,851	\$ -	\$ 82,538	\$ (3,821,247)	\$ 107,142
Balance, December 31, 2018	25,024,167	\$ 3,845,851	\$ -	\$ 82,538	\$ (3,921,740)	\$ 6,649
Private placement	113,325,732	2,266,515	-	-	-	2,266,515
Share issuance cost	-	(254,151)	-	-	-	(254,151)
Warrant valuation	-	(205,100)	-	1,724,700	-	1,519,600
Shares to be issued	-	-	513,500	-	-	513,500
Net (loss) and comprehensive (loss) for the period	-	-	-	-	(1,810,608)	(1,810,608)
Balance, September 30, 2019	138,349,899	\$ 5,653,115	\$ 513,500	\$ 1,807,238	\$ (5,732,348)	\$ 2,241,505

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.)

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2019
(Expressed in Canadian Dollars)
Unaudited

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 awaits the 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 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 \$1,810,608 for the nine months ended September 30, 2019 and as of that date the Company had cash of \$2,592,757, and a deficit of \$5,732,348. As the Company has no revenues, the Company may require additional financing in order to conduct its planned business operations and to meet its ongoing levels of corporate overhead, discharge its liabilities and commitments as they come due, all of which casts substantial doubt upon the Company's ability to continue as a going concern.

The unaudited condensed interim financial statements do not include any adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported revenues and expenses and their classifications. Such adjustments if required, could be material.

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 November 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.

The Hash Corporation (formerly Senternet Phi Gamma Inc.)

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2019
(Expressed in Canadian Dollars)
Unaudited

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.

The Hash Corporation (formerly Senternet Phi Gamma Inc.)

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2019
(Expressed in Canadian Dollars)
Unaudited

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"), 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	2,774,167	\$ 3,490,889
Private placement (i)	22,250,000	445,000
Share issuance cost	-	(7,500)
Warrant valuation (i)	-	(82,538)
Balance, September 30, 2018, and December 31, 2018	25,024,167	\$ 3,845,851
Private placement (ii) (iii)	113,325,732	2,266,515
Share issuance cost	-	(254,151)
Warrant valuation (ii) (iii)	-	(205,100)
Balance, September 30, 2019	138,349,899	\$ 5,653,115

(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.

(ii) On August 30, 2019, the Company completed tranche 1 of a non-brokered private placement financing ("Financing") of \$2,166,514, pursuant to the issue of 108,325,732 common shares of the Company at a price of \$0.02 per Share. First Republic Capital Corporation ("First Republic") acted as the lead finder for the Financing. A cash fee was paid to finders representing 6% of the gross proceeds raised in the Financing. Additionally, finders received compensation warrants ("Compensation Warrants") totaling 6% of the number of Shares sold pursuant to the Financing. The Compensation Warrants are exercisable at a price of \$0.02 per share for a period of 24 months after the closing of the Financing. First Republic was paid a corporate finance fee representing 4% of the gross proceeds raised in the Financing and that number of Compensation Warrants equalling 4% of the number of shares sold in the Financing. The fair value of the warrants was determined to be \$196,000. For purposes of calculating the fair value of the warrants, the following assumptions were used for the Black-Scholes model: Risk free interest rate 1.35%, Expected life – 2 years, Expected annual volatility – 79%, Expected dividends – Nil, Expected forfeiture rate – Nil.

The Hash Corporation (formerly Senternet Phi Gamma Inc.)

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2019
(Expressed in Canadian Dollars)
Unaudited

3. Share capital (continued)

b) Common shares issued (continued)

(iii) On September 19, 2019, the Company completed tranche 2 of a non-brokered private placement financing ("Financing") of \$100,000, pursuant to the issue of 5,000,000 common shares of the Company at a price of \$0.02 per Share. First Republic Capital Corporation ("First Republic") acted as the lead finder for the Financing. A cash fee was paid to finders representing 6% of the gross proceeds raised in the Financing. Additionally, finders received compensation warrants ("Compensation Warrants") totaling 6% of the number of Shares sold pursuant to the Financing. The Compensation Warrants are exercisable at a price of \$0.02 per share for a period of 24 months after the closing of the Financing. First Republic was paid a corporate finance fee representing 4% of the gross proceeds raised in the Financing and that number of Compensation Warrants equalling 4% of the number of shares sold in the Financing. The fair value of the warrants was determined to be \$9,100. For purposes of calculating the fair value of the warrants, the following assumptions were used for the Black-Scholes model: Risk free interest rate 1.60%, Expected life – 2 years, Expected annual volatility – 79%, Expected dividends – Nil, Expected forfeiture rate – Nil.

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, September 30, 2018 and December 31, 2018	75,000	\$ 1.00
Expired	(75,000)	(1.00)
Balance, September 30, 2018	-	\$ -

5. Warrants

	Number of warrants	Amount
Balance, December 31, 2017	-	\$ -
Issued (note 3(i)) and (a))	22,250,000	82,538
Balance, September 30, 2018 and December 31, 2018	22,250,000	\$ 82,538
Issued (note 3(ii)(iii))	11,332,573	205,100
Issued (b)	100,000,000	1,519,600
Balance, September 30, 2019	133,582,573	\$ 1,807,238

The Hash Corporation (formerly Senternet Phi Gamma Inc.)

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2019
(Expressed in Canadian Dollars)
Unaudited

5. Warrants (continued)

- a) On July 8, 2019, the Company has extended the expiration date of the warrants issued in the Company's private placement that closed on May 4, 2018, with the new expiration date being the date that is three months following the date on which the Company's common shares are listed. The Company is aiming for completing the listing by March 2020. The warrants were revalued by calculating the fair value using the Black-Scholes model with the following assumptions: Risk free interest rate 1.69%, Expected life – 1 years, Expected annual volatility – 79%, Expected dividends – Nil, Expected forfeiture rate – Nil.
- b) On July 8, 2019, the Company grant 100,000,000 special warrants to an arm's length consultant, each special warrant entitling the holder thereof to acquire one Post-Consolidation at a purchase price of \$0.005 for a period of one year. The fair value of the warrants was determined to be \$1,519,600. For purposes of calculating the fair value of the warrants, the following assumptions were used for the Black-Scholes model: Risk free interest rate 1.69%, Expected life – 1 years, Expected annual volatility – 79%, Expected dividends – Nil, Expected forfeiture rate – Nil. The warrants were recorded as share-based payments in the statement of loss and comprehensive loss.

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

Expiry date	Exercise price (\$)	Number of warrants
July 8, 2020	0.04	22,250,000
July 8, 2020	0.005	100,000,000
August 30, 2021	0.02	10,832,573
September 19, 2021	0.02	500,000
	0.01	133,582,573

6. Loss per share

For the three and nine months ended September 30, 2019, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$1,749,062 and \$1,810,608, respectively (three and nine months ended September 30, 2018 - loss of \$38,053 and \$170,789, respectively) and the weighted average number of common shares outstanding of 63,354,857 and 37,941,469, respectively (three and nine months ended September 30, 2018 - 25,024,167 and 14,999,442, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive for the three and nine months ended September 30, 2019 and September 30, 2018.

The Hash Corporation (formerly Senternet Phi Gamma Inc.)

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended September 30, 2019
(Expressed in Canadian Dollars)
Unaudited

7. Related party transactions

a) Transactions 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 nine months ended September 30, 2019, the Company incurred \$nil (three and nine months ended September 30, 2018- \$1,200 and \$2,400, respectively) with Heritage for transfer agency services and corporate services.

b) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Salaries and wages	\$ 35,000	\$ -	\$ 35,000	\$ -
Management fees	35,000	-	35,000	-
