NAMESILO TECHNOLOGIES CORP.

Consolidated Financial Statements

(Expressed in Canadian dollars)

For the Years Ended December 31, 2021 and 2020

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Crowe

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Independent Auditor's Report

To the Shareholders of NameSilo Technologies Corp.

Opinion

We have audited the consolidated financial statements of NameSilo Technologies Corp. (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020 and the consolidated statements of comprehensive (loss) income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group'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. The other information comprises:

- Management's Discussion and Analysis

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

In connection with our 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.

We obtained the other information prior to the date of this auditor's report. 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 in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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 Group 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 auditor's report is Pejman Mahlooji.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
May 3, 2022

NAMESILO TECHNOLOGIES CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	December 31, 2021 $	December 31, 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	20	**1,416,552**	2,401,601
Receivables		**152,071**	228,412
Prepaid expenses		**4,971**	82,304
Registry deposits		**2,413,265**	1,493,666
Prepaid domain name registry fees, current portion		**18,601,319**	14,669,911
		22,588,178	18,875,894
Prepaid domain name registry fees, long-term portion		**2,081,276**	1,407,704
Digital currency	4	**43,353**	73,179
Investments	5	**4,947,321**	11,637,137
Equipment	6	**81,997**	4,951
Brand	7	**265,048**	434,494
Customer relationships	8	**3,326,088**	4,272,420
Goodwill	9	**7,731,115**	7,764,045
		41,064,376	44,469,824
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10, 16	**3,481,955**	2,105,356
Customer deposits		**1,982,320**	1,328,840
Deferred revenue, current portion	11	**21,860,080**	16,305,711
Loans payable	12	**-**	5,793,818
		27,324,355	25,533,725
Convertible debenture – liability portion	13	**3,249,193**	-
Deferred revenue, long-term portion	11	**2,321,560**	1,550,811
Deferred income tax liability	21	**951,651**	1,247,333
		33,846,759	28,331,869
SHAREHOLDERS' EQUITY			
Share capital	14	**35,013,486**	35,013,486
Subscription advances		**15,608**	15,608
Convertible debt – equity portion	13	**566,106**	-
Contributed surplus		**2,313,861**	1,981,045
Accumulated other comprehensive loss		**(138,836)**	(44,475)
Deficit		**(31,484,082)**	(22,689,370)
Total equity attributable to shareholders of the Company		**6,286,143**	14,276,294
Attributable to non-controlling interest		**931,474**	1,861,661
		7,217,617	16,137,955
		41,064,376	44,469,824

Nature of operations and going concern (note 1)
Subsequent event (note 23)

Approved on behalf of the Board

“Paul Andreola” **Director** “Colin Bowkett” **Director**

The notes are an integral part of these consolidated financial statements

NAMESILO TECHNOLOGIES CORP.
Consolidated Statements of Comprehensive (Loss) Income
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

	Notes	2021 $	2020 $
REVENUE	11	**36,426,887**	31,050,980
COST OF SALES	11	**(29,570,128)**	(27,313,201)
GROSS PROFIT		**6,856,759**	3,737,779
GENERAL AND ADMINISTRATION EXPENSES			
Amortization	6, 7, 8	**1,090,269**	1,266,415
Consulting fees		**1,488,088**	1,231,455
Management fees	16	**264,000**	144,000
Merchant fees		**1,416,421**	1,101,641
Office and general		**548,908**	319,487
Professional fees	16	**421,740**	492,229
Salaries		**191,420**	159,527
Transfer agent and filing		**28,085**	24,727
		5,448,931	4,739,481
Income (loss) before other items		**1,407,828**	(1,001,702)
OTHER ITEMS			
Foreign exchange gain (loss)		**38,510**	(2,608)
Gain on write-off of accounts payable		**72,886**	-
Interest expense	12,13	**(505,372)**	(1,269,234)
Accretion expense	13	**(44,024)**	-
Other income		**69**	4,655
Realized (loss) gain on digital currency	4	**(16,805)**	437,938
(Loss) gain on investments	5	**(6,850,106)**	9,201,555
Other expense	10	**(2,047,123)**	(263,413)
Share-based payment	14, 16	**(332,816)**	(91,269)
		(9,684,781)	8,017,624
(Loss) income before income tax		**(8,276,953)**	7,015,922
Income tax expense	21	**(587,893)**	(536,312)
Net (loss) income		**(8,864,846)**	6,479,610
Other comprehensive (loss) income			
Digital currency revaluation		**1,156**	8,863
Exchange difference on subsidiary translation		**(116,936)**	(99,577)
Total comprehensive (loss) income		**(8,980,626)**	6,388,896
(Loss) income attributable to:			
Shareholders of the Company		**(8,794,712)**	6,616,292
Non-controlling interest		**(70,134)**	(136,682)
		(8,864,846)	6,479,610
Comprehensive (loss) income attributable to:			
Shareholders of the Company		**(8,889,073)**	6,542,361
Non-controlling interest		**(91,553)**	(153,465)
		(8,980,626)	6,388,896
(Loss) earnings per share – basic		**(0.10)**	0.09
(Loss) earnings per share – diluted		**(0.10)**	0.09
Weighted average number of shares outstanding – basic		**92,646,648**	70,267,416
Weighted average number of shares outstanding – diluted		**92,646,648**	70,801,899

The notes are an integral part of these consolidated financial statements

NAMESILO TECHNOLOGIES CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares #	Share Capital $	Subscription advances $	Convertible Debt – Equity Component $	Contributed Surplus $	AOCI $	Deficit $	NCI $	Total $
Balance, December 31, 2019	62,323,018	29,314,789	15,608	15,808	1,813,338	29,456	(29,305,662)	2,245,128	4,128,465
Shares issued for private placements	28,751,000	5,750,200	-	-	-	-	-	-	5,750,200
Share issuance cost – cash	-	(305,399)	-	-	-	-	-	-	(305,399)
Share issuance costs – warrants	-	(76,438)	-	-	76,438	-	-	-	-
Shares issued for debt	1,572,630	330,334	-	(15,808)	-	-	-	-	314,526
Share-based payment	-	-	-	-	49,318	-	-	-	49,318
Acquisition of NamePal	-	-	-	-	41,951	-	-	-	41,951
Distributions	-	-	-	-	-	-	-	(230,002)	(230,002)
Digital currency revaluation	-	-	-	-	-	8,863	-	-	8,863
Net and comprehensive (loss) income for the year	-	-	-	-	-	(82,794)	6,616,292	(153,465)	6,380,033
Balance, December 31, 2020	92,646,648	35,013,486	15,608	-	1,981,045	(44,475)	(22,689,370)	1,861,661	16,137,955
Convertible debenture	-	-	-	566,106	-	-	-	-	566,106
Share-based payment	-	-	-	-	332,816	-	-	-	332,816
Distributions	-	-	-	-	-	-	-	(838,634)	(838,634)
Digital currency revaluation	-	-	-	-	-	1,156	-	-	1,156
Net and comprehensive (loss) income for the year	-	-	-	-	-	(95,517)	(8,794,712)	(91,553)	(8,981,782)
Balance, December 31, 2021	**92,646,648**	**35,013,486**	**15,608**	**566,106**	**2,313,861**	**(138,836)**	**(31,484,082)**	**931,474**	**7,217,617**

The notes are an integral part of these consolidated financial statements

NAMESILO TECHNOLOGIES CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

Years Ended December 31,	2021 $	2020 $
CASH FLOWS PROVIDED BY (USED IN):		
Operating activities		
Net (loss) income for the year	**(8,864,846)**	6,479,610
Adjustment for items not involving cash:		
Accretion expense on convertible debenture	**44,024**	-
Amortization	**1,090,269**	1,266,415
Deferred income tax recovery	**(287,116)**	(208,021)
Foreign exchange	**(38,510)**	2,608
Gain on write-off of accounts payable	**(72,886)**	-
Interest expense	**-**	1,269,234
Share-based payment	**332,816**	91,269
Loss (gain) on investments	**6,850,106**	(9,201,555)
Realized loss (gain) on digital currency	**16,805**	(437,938)
	(929,338)	(738,378)
Changes in non-cash working capital related to operations:		
Receivables	**76,341**	(137,772)
Prepaid expenses	**77,333**	15,189
Registry deposits	**(919,599)**	116,073
Prepaid domain name registry fees	**(4,630,737)**	(651,681)
Digital currency	**14,176**	1,156,247
Accounts payable and accrued liabilities	**1,449,485**	67,159
Customer deposits	**653,480**	182,911
Deferred revenue	**6,289,740**	1,402,648
Net cash provided by operating activities	**2,080,881**	1,412,396
Investing activities		
Sale of investments	**44,540**	244,692
Purchase of investments	**(204,830)**	(312,500)
Purchase of equipment	**(82,973)**	-
Net cash used in investing activities	**(243,263)**	(67,808)
Financing activities		
Issue of share capital	**-**	5,750,200
Share issuance costs	**-**	(305,399)
Repayment of loans payable	**(5,709,217)**	(5,196,226)
Convertible debenture	**3,900,000**	-
Convertible debenture – transaction costs	**(128,725)**	-
Distributions to NCI	**(838,634)**	(230,002)
Net cash (used in) provided by financing activities	**(2,776,576)**	18,573
Foreign exchange on cash	**(46,091)**	(8,272)
(Decrease) increase in cash and cash equivalents during the year	**(985,049)**	1,354,889
Cash and cash equivalents – beginning of the year	**2,401,601**	1,046,712
Cash and cash equivalents – end of the year	**1,416,552**	2,401,601
Cash paid for interest	**(411,144)**	(867,417)
Cash paid for income tax	**(476,524)**	(529,565)

Supplemental cash flow information (Note 20)

The notes are an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

NameSilo Technologies Corp. (the “Company”) is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. On December 3, 2018, the Company changed its name from Brisio Innovations Inc. to NameSilo Technologies Corp. The Company’s shares are listed on the Canadian Securities Exchange (“CSE”). The head office and principal address is 409 Granville Street, Suite 1052, Vancouver, BC, Canada, V6C 1T2. The Company is a provider of domain name registration services and marketplace services for the buying and selling of domain names.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the year ended December 31, 2021, the Company had a net loss of $8,864,846, a working capital deficit of $4,736,177 and an accumulated deficit of $31,484,082. The Company’s ability to continue as a going concern is dependent upon generating positive cash flows from operations, earning sufficient returns on its investments, and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. In March 2020 there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and could have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. The Russian invasion of Ukraine and the responses by governments around the world raises the prospects of increased cybersecurity attacks, strains on global supply chains, increases in energy prices, chip shortages since Russia and Ukraine are critical suppliers of neon gas and palladium used in chip production and challenges in natural resource extraction, refinement and transportation, among other possible impacts. These material uncertainties lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

These consolidated financial statements were approved by the Board of Directors on May 2, 2022.

(Expressed in Canadian Dollars)

(b) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the following subsidiaries subject to control by the Company:

		Percentage owned	
	Incorporated in	**Dec 31, 2021**	**Dec 31, 2020**
Netco Argentina S.A.	Argentina	100%	100%
1155064 BC Ltd.	Canada	100%	100%
NameSilo, LLC (“NameSilo LLC”)	USA	81.5%	81.5%
NamePal.com, LLC (“NamePal”)	USA	81.5%	81.5%

Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(c) Functional and presentation currency

The functional currency of a company is the currency of the primary economic environment in which the Company operates. The presentation currency for a company is the currency in which the Company chooses to present its financial statements.

The functional currency of the Company, Netco Argentina S.A. and 1155064 BC Ltd. is the Canadian dollar. The functional currency of NameSilo LLC and NamePal is the US dollar. The presentation currency of the Company is the Canadian dollar.

Entities whose functional currencies differ from the presentation currency are translated into Canadian dollars as follows: assets and liabilities – at the closing rate as at the reporting date, and income and expenses – at the average rate of the period. All resulting changes are recognized in other comprehensive income as cumulative translation differences.

Transactions in foreign currencies are translated into the functional currency at exchange rates at the date of the transactions. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

When the Company disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

(d) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at their fair value.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(e) Use of estimates and judgments

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant accounting estimates:

a. The judgment of indications of impairment of each asset and related determination of the net realizable value and write-down of these assets where applicable;
b. Fair value for share-based compensation transactions;
c. Fair value of investments;
d. Estimate of indirect tax payable;
e. Bifurcation of convertible debenture; and
f. The tax basis of assets and liabilities and related deferred income tax assets and liabilities.

Significant accounting judgments:

a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
b. The Company has used judgment in determining the currency of the primary economic environment in which each entity operates. In making such determination, the management has considered the currency that mainly influences the sale prices and the cost of providing goods and services in each jurisdiction in which the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained;
c. There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for digital currencies and management has exercised

significant judgement in determining appropriate accounting treatment. In making this determination on the accounting for the digital currencies the Company has reviewed the sources and uses of the digital currencies in the operations of its business. In the event authoritative guidance is enacted by the IASB, the Company may be required to change its policies which could result in a change in the Company's financial position and earnings; and

d. The going concern risk assessment (see note 1).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Company.

(a) Financial instruments

Recognition and classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument.

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 ("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 FVTOCI. 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 if the Company has opted to measure them at FVTPL.

Measurement

<u>Financial assets and liabilities at FVTPL</u>
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 gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income.

<u>Financial assets at FVTOCI</u>
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income.

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.

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

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 profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets, is recognized in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and cash equivalents that are readily convertible into cash and which are subject to insignificant risk of changes in value.

(c) Registry deposits

Registry deposits represent amounts on deposit with, or receivable from, various domain name registries to be used by the Company to make payments for future domain registrations or renewals.

(d) Prepaid domain name registry fees

Prepaid domain name registry services fees represent amounts paid to registries, and country code domain name operators for updating and maintaining the registries. Domain name registry fees are recognized on a straight-line basis over the life of the contracted registration term.

(e) Digital currency

The Company accepts digital currencies as a form of payment as consideration for their services. Revenue is measured based on the fair value of the digital currencies received. The fair value is determined using the spot price of the digital currency on the date of receipt, based on Blockchain.info.

The Company has classified its digital currencies as indefinite life intangible assets. The Company is using the re-valuation model to account for the digital currencies if there is an active market for their digital currencies and a significant value of daily transactions and a determinable market price for the digital currencies.

The digital currencies are recorded on the consolidated statement of financial position at their fair value and re-measured at each reporting date. Revaluation gains or losses are recognized in other comprehensive income. Realized gains and losses are transferred from accumulated other comprehensive income to retained earnings.

(f) Investments in associates

An associate is an entity over which the Company has significant influence. If the Company holds, directly or indirectly (i.e. through subsidiaries), 20% or more of the voting power of the investee, it is presumed the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

If the Company has significant influence over an investee, it accounts for its investment in an associate using the equity method. Under the equity method, on initial recognition, the investment in an associate is recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition. The Company's share of the investee's profit or loss is recognized in the Company's profit or loss.

Distributions received from an investee reduce the carrying amount of the investment. It may also be necessary to adjust the carrying amount for changes in the Company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The Company's share of those changes is recognized in other comprehensive income.

(g) Furniture and equipment

Furniture and equipment is stated at cost, less accumulated amortization. Amortization is provided using the straight-line method over a useful life of five years for furniture and equipment and ten years for servers.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category that is consistent with the function of the intangible assets.

The Company has determined the useful life of the brand to be 5 years and the customer relationships to be 7 years.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognised.

(i) Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible assets acquired. Goodwill is not subject to amortization and an impairment test is performed annually or as events occur that could indicate impairment. Goodwill is reported at cost less any impairment.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (“cash generating units” or “CGU”s). To test for impairment, goodwill is allocated to each of the Company’s CGUs, groups of CGUs, or an operating segment expected to benefit from the acquisition. Goodwill is tested by combining the carrying amounts of equipment, intangible assets and goodwill and comparing this to the recoverable amount. Fair value less costs of disposal is price to be received in an orderly transaction between market participants. Value in use is assessed using the present value of the expected future cash flows. Any excess of the carrying amount over the recoverable amount is recorded as impairment. Impairment charges, which are not tax affected, are recognized in in profit or loss and are not reversed.

(j) Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of their carrying amount to the recoverable amount. The recoverable amount is the higher of the fair value less selling costs or the value in use. Value in use is determined by the present value of the future cash flows from the asset. If the recoverable amount is less than the carrying amount, then there is impairment. Where an impairment loss exists, the portion of the carrying amount exceeding the recoverable amount is recorded as an expense immediately. Assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstance indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. The reversal is recognized in profit or loss immediately.

(k) Customer deposits

Customer deposits are collections and credits from customers that can be redeemed for services offered by the Company or returned to the customers.

(l) Deferred revenue

Deferred revenue primarily relates to the unearned portion of revenues received in advance related to the unexpired term of registration fees from domain name registrations.

(m) Convertible Debenture

The Company evaluates its convertible debt, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for. This accounting treatment requires that the carrying amount of embedded derivatives be marked-to-market at each statement of financial position date and carried at fair value. In the event that the fair value is recorded as a liability, the change in fair value during the period is recorded in profit or loss in the statement of loss and comprehensive loss as either income or expense. Upon conversion, exercise or modification to the terms of a derivative instrument, the instrument is marked to fair value at the conversion date and then the related fair value is reclassified to equity.

The classification of financial instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities will be classified in the statement of financial position as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within 12 months of the statement of financial position date.

In circumstances where the convertible debt does not have an embedded derivative, the convertible debenture is separated into liability and equity components. The fair value of the liability component is calculated as the discounted cash flows for the convertible debenture using the rate for convertible debentures without a conversion feature and accreted up to the face value of convertible debt on the maturity date. The fair value of the equity component (conversion feature) is determined as the difference between the face value of the convertible debenture and the fair value of the liability component. Transaction costs are allocated pro-rata between the liability and equity components.

(n) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

Valuation of equity units issued in private placements
The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

(o) Revenue recognition

Revenue is recorded when persuasive evidence of an arrangement exists, delivery of the product or service has occurred, the selling price is fixed or determinable and collectability is reasonably assured. Control of the promised product or service is transferred to customers in an amount reflecting consideration we expect to be entitled to for such purchases.

The Company's revenues are derived from domain name registration fees, marketplace transactions and the sale of domain names. Amounts received in advance of meeting the revenue recognition criteria described below are recorded as deferred revenue. We have determined that our contracts do not include a significant financing component.

Domain services
The Company earns registration fees in connection with each new, renewed and transferred-in registration. Service has been provided in connection with registration fees once the Company has confirmed that the requested domain name has been appropriately recorded in the registry under contractual performance standards.

Domain names are generally purchased for terms of one to ten years. Registration fees charged for domain name registration and provisioning services are recognized on a straight-line basis over the life of the contracted term.

For arrangements with multiple deliverables, the Company allocates revenue to each deliverable if the delivered item(s) has value to the customer on a standalone basis and, if the arrangement includes a general right of return relative to the delivered item, delivery or performance of the undelivered item(s) is considered probable and substantially in the control of the Company. The fair value of the selling price for a deliverable is determined using a hierarchy of (1) Company specific objective and reliable evidence, then (2) third-party evidence, then (3) best estimate of selling price. The Company allocates any arrangement fee to each of the elements based on their relative selling prices.

Marketplace Transactions and Sales of Domain Names

If the Company acts in the capacity of an agent rather than as the principal in a transaction such as a marketplace transaction or sale of domain names, then the revenue recognized is the net amount of commission made by the Company. The Company recognizes revenue upon transfer of control of the domain to the purchase of the domain or winning bidder, at an amount that reflects the consideration to be received (the winning bid).

(p) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. The amount remains in contributed surplus if the options expire unexercised.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(q) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

(r) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that if the income tax expense is related to items recognized directly in equity, the income tax expense would also be recognized in equity. Current tax is the expected tax payable on the taxable income for the period, 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 using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, 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, 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 to the extent that it is probable that future taxable profits will be available against which the temporary difference 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.

(s) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

(t) Recent accounting pronouncements and changes in accounting policies

The following new standards and interpretations are not yet effective and have not been applied in preparing these consolidated financial statements. The Company will adopt the amendments on their effective dates and do not expect the amendments to have a significant impact on the consolidated financial statements.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments are effective for reporting periods beginning on or after January 1, 2022.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023.

4. DIGITAL CURRENCY

The Company holds 0.70 bitcoin with a fair value of $43,353 (USD$34,196) as at December 31, 2021 (2020 – 2 bitcoins with a fair value of $73,179 (USD$57,477)).

The digital currency market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices or lack of an active market for the digital currencies would have a minimal impact on the Company’s other comprehensive income and financial position. The Company uses Blockchain.info as the exchange to transact in bitcoin.

(Expressed in Canadian Dollars)

5. INVESTMENTS

December 31, 2021

	Lite Access Technologies Inc.		Pioneering Technologies		Renoworks Software Inc.		Allur Group		Total Telcom Inc.		Vigil Health Solutions	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Dec 3120	165,999	$ 22,410	821,300	$ 61,598	100,000	$ 60,000	523,332	$ 78,500	45,000	$ 5,400	362,500	$ 114,187
Purchased	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	(165,999)	(28,730)	-	-	-	-	-	-	-	-	-	-
Gain (loss)	-	6,320	-	(24,639)	-	(14,000)	-	-	-	450	-	70,688
Balance, Dec 3121	-	$ -	821,300	$ 36,959	100,000	$ 46,000	523,332	$ 78,500	45,000	$ 5,850	362,500	$ 184,875

	ImmunoPrecise Antibodies		West Mining Corp.		Atlas Engineered Products Ltd.		Yuansfer		Lawson West Capital Corp.		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Total
Balance, Dec 3120	560,000	$ 10,886,400	200,000	$ 72,000	821,079	$ 336,642	-	$ -	-	$ -	$ 11,637,137
Purchased	-	-	-	-	100,000	41,440	-	63,390	133,333	100,000	204,830
Proceeds from sale	-	-	(20,000)	(15,810)	-	-	-	-	-	-	(44,540)
Gain (loss)	-	(7,028,000)	-	(35,490)		174,565	-	-	-	-	(6,850,106)
Balance, Dec 3121	560,000	$ 3,858,400	180,000	$ 20,700	921,079	$ 552,647	-	$ 63,390	133,333	$ 100,000	$ 4,947,321

December 31, 2020

	Lite Access Technologies Inc.		Pioneering Technologies		Renoworks Software Inc.		Allur Group		Total Telcom Inc.	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance, Dec 3119	293,432	$ 99,767	921,300	$ 27,639	137,000	$ 37,675	523,332	$ 78,500	340,000	$ 39,100
Purchased	-	-	-	-	-	-	-	-	-	-
Converted	-	-	-	-	-	-	-	-	-	-
Share consolidation	-	-	-	-	-	-	-	-	-	-
Proceeds from sale	(127,433)	(74,124)	(100,000)	(12,840)	(37,000)	(9,000)	-	-	(295,000)	(33,638)
Gain (loss)	-	(3,233)	-	46,799	-	31,325	-	-	-	(62)
Balance, Dec 3120	165,999	$ 22,410	821,300	$ 61,598	100,000	$ 60,000	523,332	$ 78,500	45,000	$ 5,400

	Vigil Health Solutions		ImmunoPrecise Antibodies		ImmunoPrecise Antibodies – Warrants		West Mining Corp.		Atlas Engineered Products Ltd.		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Total
Balance, Dec 3119	669,000	$ 224,115	2,550,000	$ 1,453,500	250,000	$ 1,047	200,000	$ 47,000	898,579	$ 359,431	$ 2,367,774
Purchased	-	-	-	-	-	-	-	-	-	-	-
Converted	-	-	250,000	312,500	(250,000)	-	-	-	-	-	312,500
Share consolidation	-	-	(2,240,000)	-	-	-	-	-	-	-	-
Proceeds from sale	(306,500)	(86,335)	-	-	-	-	-	-	(77,500)	(28,755)	(244,692)
Gain (loss)	-	(23,593)	-	9,120,400	-	(1,047)	-	25,000	-	5,966	9,201,555
Balance, Dec 3120	362,500	$ 114,187	560,000	$ 10,886,400	-	$ -	200,000	$ 72,000	821,079	$ 336,642	$ 11,637,137

(Expressed in Canadian Dollars)

The investment in Yuansfer is a SAFE investment. The Company designated the SAFE at fair value through profit or loss. The fair value of the SAFE, at each reporting period, is estimated using Level 3 inputs of the fair value hierarchy.

The Company holds investments where there is no quoted market price or active market for the investment. These investments are currently measured at the fair value equivalent to the fair value of the shares from the initial purchase. There are no indicators during the current or prior periods that the value of the shares might not be representative of fair value.

6. EQUIPMENT

	Furniture & Equipment	Server	Total
	$	$	$
Cost:			
Balance, December 31, 2019 and 2020	8,517	-	8,517
Additions	-	82,973	82,973
Foreign exchange	-	946	946
Balance, December 31, 2021	**8,517**	**83,919**	**92,436**
Accumulated Amortization:			
Balance, December 31, 2019	1,862	-	1,862
Amortization	1,704	-	1,704
Balance, December 31, 2020	3,566	-	3,566
Amortization	1,703	5,112	6,815
Foreign exchange	-	58	58
Balance, December 31, 2021	**5,269**	**5,170**	**10,439**
Net Book Value:			
December 31, 2020	4,951	-	4,951
December 31, 2021	**3,248**	**78,749**	**81,997**

7. BRAND

The brand was acquired as a result of the acquisition of NameSilo LLC. The brand is amortized using the straight-line method over the useful life of 5 years. The changes in the value of the brand during the years ended December 31, 2021 and 2020 are as follows:

	$
Balance, December 31, 2019	614,932
Amortization	(177,346)
Foreign exchange	(3,092)
Balance, December 31, 2020	434,494
Amortization	(165,713)
Foreign exchange	(3,733)
Balance, December 31, 2021	265,048

(Expressed in Canadian Dollars)

8. CUSTOMER RELATIONSHIPS

The customer relationships were acquired as a result of the acquisition of NameSilo LLC. The customer relationships are amortized using the straight-line method over the useful life of 7 years. The changes in the value of the customer relationships during the years ended December 31, 2021 and 2020 are as follows:

	$
Balance, December 31, 2019	5,411,078
Amortization	(1,087,365)
Foreign exchange	(51,293)
Balance, December 31, 2020	4,272,420
Amortization	(917,741)
Foreign exchange	(28,591)
Balance, December 31, 2021	3,326,088

9. GOODWILL

The goodwill was acquired as a result of the acquisition of NameSilo LLC. The changes in the value of the goodwill during the years ended December 31, 2021 and 2020 are as follows:

	$
Balance, December 31, 2019	7,920,155
Foreign exchange	(156,110)
Balance, December 31, 2020	7,764,045
Foreign exchange	(32,930)
Balance, December 31, 2021	7,731,115

The Company performs a goodwill impairment test annually and when circumstances indicate that the carrying value may not be recoverable. The recoverable amount of the CGU was based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. The cash flows were projected over a five-year period based on past experience and actual operating results. The Company performed its annual goodwill impairment test in April 2022 and no impairment was indicated for the period tested. The values assigned to the key assumptions represented management's assessment of future trends in the industry and were based on historical data from both internal and external sources. The key assumptions applied in the impairment test include a weighted average cost of capital of 20%, average customer growth rate of 8% per year and terminal value growth rate of 5%.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company is subject to indirect taxation in some, but not all, of the various states and foreign jurisdictions in which the Company conducts business. Laws and regulations attempting to subject communications and commerce conducted over the internet to various indirect taxes are becoming more prevalent, both in Canada and internationally, and may impose additional burdens on the Company in the future. Taxing authorities may impose indirect taxes on the internet-related revenue generated by the Company based on regulations currently being applied to similar, but not directly comparable, industries. There are many transactions and calculations where the ultimate indirect tax determination is uncertain. In addition, Canadian and international indirect taxation laws are complex and subject to change. The Company may be audited in the future, which could result in changes to the indirect tax estimates.

(Expressed in Canadian Dollars)

As at December 31, 2021, an accrual for estimated indirect tax liabilities of $1,833,922 (2020 – $813,920) has been included in accounts payable and accrued liabilities. This accrual reflects management's best estimate of the probable liability based on an analysis of the Company's business activities, revenues subject to indirect taxes and applicable regulations. Although the Company believes its indirect tax estimates and associated liabilities are reasonable, the final determination of indirect tax audits or settlements could be materially different than the amounts established for indirect tax contingencies. The current period effect of indirect tax is recognized as other expense in profit or loss.

11. DEFERRED REVENUE

Deferred revenue consists of the following as at December 31, 2021 and 2020:

	December 31, 2021 $	December 31, 2020 $
Current	21,860,080	16,305,711
Non-current	2,321,560	1,550,811
	24,181,640	17,856,522

The increase in the deferred revenue balance is primarily driven by payments received in advance of satisfying our performance obligations, affected by $33,855,802 of revenue recognized during the year ended December 31, 2021. The changes in the value of deferred revenue during the years ended December 31, 2021 and 2020 are as follows:

	$
Balance, December 31, 2019	16,513,592
Additions	31,146,554
Transferred to revenue	(29,803,624)
Balance, December 31, 2020	17,856,522
Additions	40,180,920
Transferred to revenue	(33,855,802)
Balance, December 31, 2021	24,181,640

Revenue consists of the following types of services for the years ended December 31, 2021 and 2020:

	December 31, 2021 $	December 31, 2020 $
Domain Services	33,855,802	29,803,624
Market Place Transactions	1,452,700	701,141
Other	1,118,385	546,215
	36,426,887	31,050,980

Costs of sales are the direct costs incurred by the Company in connection with selling an incremental product to its customers. Substantially all cost of sales relates to domain registration fees paid to the various domain registries, payment processing fees, and third-party commissions.

12. LOANS PAYABLE

On May 1, 2018, the Company received a bridge loan financing in the principal amount of $5,000,000. The loan bore interest at a rate of 8% per annum and was due on November 1, 2018. On June 21, 2018, the Company entered into an amended loan agreement which extended the maturity date to June 21, 2019.

On June 21, 2018, the Company received another bridge loan financing in the principal amount of $6,347,916 (USD$4,770,000). The loans bore interest at a rate of 8% per annum and were due on June 21, 2019.

As an incentive for the lenders entering into the loan agreements, the Company issued as a bonus a total of 3,750,000 common shares to the lenders. The fair value of the common shares issued ($1,312,500) was recorded as transaction costs against the value of the loans payable and amortized over the term of the loans.

On June 17, 2019, the Company entered into amended loan agreements to restructure the loans. As a result of the restructuring, the Company repaid $1,293,978 of the principal and the maturity date of the loans was extended to December 17, 2020. The Company was then indebted to the lenders in the principal amount of $4,430,000, USD$2,115,000, and USD$2,115,000 respectively. Each loan bore interest at a rate of 11% per annum which was payable quarterly. The Company was required to pay 25% of each loan by July 17, 2020 and the balance by December 17, 2020. The loans were pre-payable at any time without penalties.

On July 17, 2020, the Company entered into the First Extension and Amendments to Loan Agreements to further amend the loans. As a result of the amendments, the Company paid total extension fee of $50,000, repaid $650,000 of the principal plus interest, and the first payment date of July 17, 2020 was first extended to September 17, 2020 and later extended to September 23, 2020 pursuant to the Second Extension and Amendments to Loan Agreements. The Company also granted to the lenders a first-ranking security interest over all of the present and after-acquired assets of the Company. The security interest provided to the lenders would cease once the Company fully repaid the loans.

On December 17, 2020, the Company entered into the Third Extension and Agreements to Loan Agreements, which extended the maturity date of the loan to February 15, 2021. The maturity date was extended again to March 1, 2021 pursuant to the Fourth Extension Letter signed on February 15, 2021 and to June 10, 2021 pursuant to the Fifth Extension and Agreements to Loan Agreements signed on April 6, 2021.

On October 29, 2021, the Company repaid the loans in full.

(Expressed in Canadian Dollars)

	$
Balance, December 31, 2019	9,994,376
Repayment	(5,196,226)
Interest expense	1,001,332
Foreign exchange	(5,664)
Balance, December 31, 2020	5,793,818
Repayment	(6,120,361)
Interest expense	411,144
Foreign exchange	(84,601)
Balance, December 31, 2021	-

13. CONVERTIBLE DEBENTURE

On May 2, 2018, the Company issued a convertible debenture in the principal amount of $300,000. The debentures were secured on the assets of the Company, bore interest at a rate of 10% per annum, payable semi-annually and due eighteen months after closing. The debenture was convertible into common shares of the Company at a price of $0.50 per share. Further, the holder received a total of 300,000 detachable share purchase warrants. The warrants were exercisable at a price of $0.65 per share for a period of eighteen months from the date of issue.

During the year ended December 31, 2020, the Company recorded interest expense of $15,403 on the convertible debenture.

On September 30, 2020, the remaining convertible debenture balance of $170,000 plus accrued interest of $60,526 was settled with 1,152,630 units of the Company at a price of $0.20 per unit. Each unit consists of one common share and one-half of one share purchase warrant. Each share purchase warrant will entitle the holder to purchase one additional share of the Company at a price of $0.30 per share for a period of two years from the date of issue.

On October 19, 2021, the Company entered into a loan agreement with a third party lender (the “Lender”) whereby the Lender advanced to the Company a total of $3,900,000 (the “Loan”). The Loan is for a term of three years and accrues interest at a rate of 12% per annum. The Loan was used to refinance the Company’s existing loans.

Under the terms of the loan agreement, the Lender may convert, at its option, all or any portion of the principal to common shares of the Company at a price of $0.25 per share. The Company will have the right to cause a forced conversion of 50% of the outstanding principal amount into common shares if the weighted average price of the common shares is equal to or greater than $0.50 per share over twenty consecutive trading days.

The Company will have the right to prepay all or any portion of the principal at any time. If the Company elects to repay any portion of the Loan, the Lender will be entitled to a fee equal to one year of interest on the principal amount repaid by the Company. The Lender has been granted certain security interests in the business of the Company.

During the year ended December 31, 2021, the Company recorded interest expense of $93,600 on the Loan.

The changes in the value of the convertible debenture during the years ended December 31, 2021 and 2020 are as follows:

(Expressed in Canadian Dollars)

	Liability Component ($)	Equity Component ($)
Balance, December 31, 2019	170,000	15,808
Settlement	(170,000)	(15,808)
Balance, December 31, 2020	-	-
Proceeds	3,314,571	585,429
Transaction costs	(109,402)	(19,323)
Accretion	44,024	-
Balance, December 31, 2021	3,249,193	566,106

14. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

(b) Issued

On September 25, 2020, the Company closed the first tranche of a non-brokered private placement financing by issuing 9,630,000 units at a price of $0.20 per unit for total proceeds of $1,926,000. On September 28, 2020, the Company closed the second tranche of the private placement by issuing 9,591,000 units at a price of $0.20 per unit for total proceeds of $1,918,200. On October 6, 2020, the Company closed the third and final tranche of the private placement by issuing 9,530,000 units at a price of $0.20 per unit for total proceeds of $1,906,000. Each unit consists of one common share and one-half of one share purchase warrant (each whole warrant a “Warrant”). Each whole Warrant will entitle the holder to purchase one additional share of the Company at a price of $0.30 per share for a period of two years from the date of issue. The Company paid finder’s fee of $281,427, incurred issue costs of $23,972, and issued a total of 945,660 finders warrants. Each finder’s warrant will entitle the holder to purchase one additional common share at a price of $0.30 per share for a period of two years from the date of issue.

The fair value of the finders warrants was determined to be $76,438 and estimated on the date of issue using the Black-Scholes option valuation model with the following weighted average assumptions: dividend yield of $nil, risk free interest rate of 0.23%, expected life of 2 years and expected volatility of 67%.

On October 8, 2020, the Company entered into debt settlement agreements with certain creditors of the Company, including two directors and officers of the Company. Pursuant to these agreements, the Company has issued 1,572,630 units, on the same terms as the units of the private placement, to settle $314,526 of outstanding debt.

(c) Stock options

The Company has a stock option plan in accordance with the policies on the Canadian Securities Exchange whereby, from time to time at the discretion of the Board of Directors, stock options are granted to directors, officers and certain consultants.

(Expressed in Canadian Dollars)

Under the plan up to 10% of the total number of issued common shares of the Company, calculated on a non-diluted basis, at the time an option is granted are available for the issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options can be granted for a maximum term of 10 years. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares issued and outstanding at the time of grant unless disinterested shareholder approval is obtained. Any options granted to consultants or persons performing Investor Relations under the Amended Stock Option Plan shall vest to the optionee as follows: 25% at date of grant, 25% six months from date of grant, 25% nine months from date of grant and the remaining 25% twelve months from the date of grant. All other options granted under the Amended Stock Option Plan shall have vesting terms set at the discretion of the Board of Directors.

A summary of the stock option activity is as follows:

	December 31, 2021		December 31, 2020	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	3,475,000	$0.30	3,475,000	$0.30
Granted	2,750,000	0.22	-	-
Expired	(600,000)	0.16	-	-
Balance, end of year	5,625,000	$0.28	3,475,000	$0.30

As at December 31, 2021, the Company has outstanding directors' and employees' incentive stock options enabling the holders to acquire additional common shares as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
1,000,000	1,000,000	$0.23	December 20, 2022
1,300,000	1,300,000	$0.35	August 8, 2023
250,000	250,000	$0.45	March 22, 2024
325,000	325,000	$0.42	September 16, 2024
2,750,000	2,750,000	$0.22	September 17, 2026
5,625,000	5,625,000		3.10 years remaining

In September 2021, the Company granted a total of 2,750,000 stock options to its officers, directors and consultants. The options are exercisable at a price of $0.22 per share for a period of five years from the date of grant. The fair value of the options granted was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions: share price at the time of issuance $0.22; risk-free interest rate of 0.80%; expected life of 5 years; dividend yield of 0%; forfeiture rate of 0% and annualized volatility of 65%.

For the year ended December 31, 2021, $332,816 (2020 - $49,318) has been recorded as share-based payment relating to options granted during the year.

(Expressed in Canadian Dollars)

(d) Warrants

	December 31, 2021		December 31, 2020	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	16,107,475	$0.30	-	$-
Issued	-	-	16,107,475	0.30
Balance, end of year	16,107,475	$0.30	16,107,475	$0.30

As at December 31, 2021, the Company has outstanding share purchase warrants enabling the holders to acquire additional common shares as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
5,272,560	$0.30	September 25, 2022
5,202,960	$0.30	September 28, 2022
5,631,955	$0.30	October 7, 2022
16,107,475		0.75 year remaining

15. DISTRIBUTIONS FROM NAMESILO LLC

In March and July 2020, NameSilo LLC made cash distributions to all its members. The total amount of distributions made to the 18.5% non-controlling interest were $230,002 (US$171,451) during the year ended December 31, 2020.

In March, May, July, August, October and December 2021, NameSilo LLC made cash distributions to all its members. The total amount of distributions made to the 18.5% non-controlling interest were $838,634 (US$669,035) during the year ended December 31, 2021.

16. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to parties not at arm's length to the Company for the years ended December 31, 2021 and 2020 are:

	2021 **$**	**2020** **$**
Professional fees	99,701	108,859
Management fees	264,000	144,000
Share-based payment	281,191	-
	644,892	252,859

During the year ended December 31, 2021, Paul Andreola, President and Director was paid or accrued management fees of $132,000 (2020 - $72,000), Colin Bowkett, Director was paid or accrued management fees of $132,000 (2020 - $72,000), Daniel Nanson, Director was paid or accrued professional fees of $15,750 (2020 - $37,800), and Malaspina Consultants Inc., a company in which Natasha Tsai, Chief Financial Officer is a shareholder, was paid or accrued professional fees of $83,951 (2020 - $71,059).

Included in accounts payable and accrued liabilities at December 31, 2021 is $9,384 (2020 - $21,018) due to officers and directors for unpaid management fees.

During the year ended December 31, 2021, the Company acquired 133,333 shares of Lawson West Capital Corp., a company related to the Company by virtue of a common Director (refer to Note 5).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the years ended December 31, 2021 and 2020.

17. DETERMINATION OF FAIR VALUES

The Company's financial assets were classified into the following categories:

- FVTPL – Cash and cash equivalents, and investments
- FVOCI – None
- Amortized Cost – Receivables

Estimates of the fair value 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 judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

At December 31, 2021, the Company's financial instruments include cash and cash equivalents, receivables, registry deposits, investments, accounts payable and accrued liabilities, customer deposits, convertible debenture and loans payable. Receivables, registry deposits, accounts payable and accrued liabilities, and customer deposits, convertible debenture are recognized on the consolidated statement of financial position at their carrying values which approximated their fair value.

All financial instruments measured at fair value are categorized into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

(Expressed in Canadian Dollars)

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 1,416,552	$ -	$ -	$ 1,416,552
Investment - shares	$ 4,805,431	$ -	$ 78,500	$ 4,883,931
Investment – SAFE	$ -	$ -	$ 63,390	$ 63,390

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 2,401,601	$ -	$ -	$ 2,401,601
Investment - shares	$ 11,558,637	$ -	$ 78,500	$ 11,637,137

18. FINANCIAL RISK MANAGEMENT

(a) Overview

The Company's activities expose it to a variety of financial risks that arise as a result of its activities such as:

- market risk
- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash and cash equivalents are held in bank accounts and due to the short-term nature of these financial instruments fluctuations in market interest rates do not have significant impact on the fair value as at December 31, 2021.

The Company's convertible debt has a fixed rate of interest and therefore is not exposed to interest rate risk.

(Expressed in Canadian Dollars)

The Company's sensitivity to interest rates is currently immaterial due to the short term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At December 31, 2021, the Company had the following financial assets and liabilities in foreign currencies:

	US Dollars	Argentine Pesos
Cash	$1,068,441	-
Receivables	$ 119,508	225,523
Registry deposits	$1,194,535	-
Accounts payable	$2,564,569	445,323

At December 31, 2021 US dollar amounts were converted at a rate of $1.00 US dollars to $1.2678 Canadian dollars and Argentine pesos amounts were converted at a rate of 1.00 Argentine pesos to $0.0219 Canadian dollars. A 10% increase or decrease in the US dollar exchange rate will impact net income (loss) by approximately $23,000.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk. The Company is exposed to significant other price risk. A 10% increase or decrease in the value of its investments will impact net income (loss) by approximately $495,000.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The credit risk on cash and cash equivalents is considered small because the majority of funds have been placed with major Canadian and Argentinean financial institutions. Management believes that the credit risk related to its receivables and registry deposits is remote. The carrying value of the receivables and registry deposits represents the maximum credit exposure.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet liabilities when due.

At December 31, 2021, the Company had a cash balance of $1,416,552 and receivables of $152,071. The Company has accounts payable and accrued liabilities of $3,481,955. The Company intends to raise adequate funds to meet its liquidity needs for the next twelve months via cash flows from operations, private placement or the sale of over-performing investments.

(Expressed in Canadian Dollars)

Contractual cash flow requirements as at December 31, 2021 were as follows:

	< 1 year $	1 – 2 years $	2 – 5 years $	>5 years $	Total $
Accounts payable and accrued liabilities	3,481,955	-	-	-	3,481,955
Convertible debenture	466,718	468,000	4,275,682	-	5,210,400
Total	3,948,673	468,000	4,275,682	-	8,692,355

19. CAPITAL MANAGEMENT

The Company considers its capital structure to include working capital (deficiency) and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Company is reasonable.

The Company is not subject to any external capital restrictions and the Company did not change its approach to capital management during the year.

20. SUPPLEMENTAL CASH FLOW INFORMATION

The following changes in liabilities arose from financing activities:

	December 31, 2020 $	Cash Flows $	Bifurcation to Equity $	Accretion $	Foreign exchange movements $	December 31, 2020 $
Loans payable	5,793,818	(5,709,217)	-	-	(84,601)	-
Convertible debenture	-	3,771,275	(566,106)	44,024	-	3,249,193
Total	5,793,818	(1,937,942)	(566,106)	44,024	(84,601)	3,249,193

	December 31, 2019 $	Cash Flows $	Conversion to Equity $	Accretion $	Foreign exchange movements $	December 31, 2020 $
Loans payable	9,994,376	(5,196,226)	-	1,001,332	(5,664)	5,793,818
Convertible debenture	170,000	-	(170,000)	-	-	-
Total	10,164,376	(5,196,226)	(170,000)	1,001,332	(5,664)	5,793,818

The following is a breakdown of cash and cash equivalents:

(Expressed in Canadian Dollars)

	December 31, 2021 $	December 31, 2020 $
Cash	1,405,052	2,390,101
Cash equivalents	11,500	11,500
	1,416,552	2,401,601

21. INCOME TAXES

Income tax expense varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before taxes as follows:

	2021	2020
Income (loss) for the year before income tax	$ (8,276,953)	$ 7,015,922
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated tax expense (recovery)	(2,234,777)	1,894,299
Change in tax rates resulting from:		
Effect of jurisdictional tax rate difference	86,130	36,562
Non capital loss expired	616	1,800
Intercorporate dividends	184,726	50,673
Unrecognized items for tax	1,258,096	(732,379)
Tax benefits not realized (realized)	1,293,102	(714,643)
Income tax expense (recovery)	$ 587,893	$ 536,312

The significant components of the Company's deferred tax assets (liabilities) are as follows:

	2021	2020
Exploration and evaluation assets	$ 670,517	$ 670,517
Convertible debenture and loans	(88,021)	(39,216)
Non-capital loss carry forwards	2,637,930	2,199,086
Capital Assets	66,261	65,801
Capital loss carry forwards	2,468,222	2,453,725
Investments	(241,381)	(1,166,983)
Intangibles	(951,651)	(1,247,333)
Other	144,263	225,600
	4,706,140	3,161,197
Unrecognized deferred tax assets	(5,657,791)	(4,408,530)
Deferred income tax liabilities	$ (951,651)	$ (1,247,333)

At December 31, 2021, the Company has available non-capital tax losses for Canadian income tax purposes of approximately $9,765,000, expiring as follows:

(Expressed in Canadian Dollars)

	Canada
2028	$ 20,000
2029	260,000
2030	166,000
2031	325,000
2032	365,000
2033	270,000
2034	306,000
2035	268,000
2037	227,000
2038	1,318,000
2039	2,291,000
2040	2,278,000
2041	1,671,000
	$ 9,765,000

22. SEGMENTED INFORMATION AND ECONOMIC DEPENDENCE

At December 31, 2020 and 2019, the Company has one reportable segment, being domain registration and related services.

During the year ended December 31, the Company had sales to nil (2020 - nil) customer who in aggregate accounted for more than 10% (2020 – 10%) of revenue.

The Company's revenues are allocated according to revenue types for the years ended December 31, 2021 and 2020 as follows:

	December 31, 2021 $	December 31, 2020 $
Domain Services	33,855,802	29,803,624
Market Place Transactions	1,452,700	701,141
Other	1,118,385	546,215
	36,426,887	31,050,980

The Company's non-current assets are allocated to geographic segments as at December 31, 2021 and 2020 as follows:

	December 31, 2021 $	December 31, 2020 $
Corporate	4,950,568	11,642,089
NameSilo LLC	13,525,630	13,951,841
	18,476,198	25,593,930

Geographic segmentation of the Company's net loss is as follows:

(Expressed in Canadian Dollars)

	December 31, 2021 $	December 31, 2020 $
Corporate	(8,485,743)	7,218,436
NameSilo LLC	(379,103)	(738,826)
	(8,864,846)	6,479,610

Geographic segmentation of the interest and accretion, and amortization and depreciation is as follows:

Interest and accretion	December 31, 2021 $	December 31, 2020 $
Corporate	549,396	1,269,234
NameSilo LLC	-	-
	549,396	1,269,234

Amortization and depreciation	December 31, 2021 $	December 31, 2020 $
Corporate	1,703	1,703
NameSilo LLC	1,088,566	1,264,712
	1,090,269	1,266,415

23. SUBSEQUENT EVENT

On February 23, 2022, the Company announced its intention to initiate a normal course issuer bid ("NCIB") through the facilities of the CSE. Under the NCIB, the Company intends to acquire up to 4,500,000 common shares of the Issuer, representing approximately 4.85% of its issued and outstanding common shares. The NCIB commenced on March 2, 2022 and will end no later than March 2, 2023. The Company may terminate the NCIB earlier if it feels it is appropriate to do so and has appointed Canaccord Genuity Corp. to conduct the NCIB. All shares acquired will be returned to treasury and cancelled.