DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

The accompanying interim condensed financial statements of DigiCrypts Blockchain Solutions Inc. for the three and nine months ended October 31, 2020 and 2019 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial statements (see notes 2 & 3 to the interim consolidated financial statements). Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented. Auditors Involvement The external auditors of DigiCrypts Blockchain Solutions Inc., have not audited or performed a review of the unaudited interim financial statements for the three and nine months ended October 31, 2020 and 2019 nor have they conducted any procedures with respect to the supplementary financial schedules included herein.

DIGICRYPTS BLOCKCHAIN SOLITIONS INC.
Unaudited Interim Condensed Consolidated Statements of Financial Position
Expressed in Canadian dollars

	Notes	As at October 31, 2020	As at January 31, 2020
ASSETS		**$**	**$**
Current assets			
Cash		**577,705**	207,140
HST receivable		**164,362**	88,236
Prepaid expenses		**530,933**	-
Investments		**5,915**	-
Total current assets		**1,278,915**	295,376
Non-current assets			
Goodwill	7	**2,750,000**	-
Software	5	**15,148**	15,148
Total non-current assets		**2,765,148**	15,148
Total Assets		**4,044,063**	310,524
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	**48,610**	75,411
Total Current Liabilities		**48,610**	75,411
Non-current liabilities			
Convertible debentures	11	**276,752**	434,339
Derivative liabilities	11	**549,997**	168,070
Total non-current liabilities		**826,749**	602,409
Total Liabilities		**875,359**	677,820
SHAREHOLDERS' DEFICIENCY			
Share capital	8	**6,360,218**	2,801,381
Warrants	10	**607,068**	-
Contributed surplus		**578,393**	219,054
Accumulated deficit		**(4,376,975)**	(3,387,731)
Total Shareholders' Deficiency		**(3,168,704)**	(367,296)
Total Liabilities and Shareholders' Deficiency		**4,044,063**	310,524
Nature of operations and going concern	1		
Commitments	13		
Subsequent events	14		

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

DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.
Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended October 31, 2020 and 2019
(Expressed in Canadian dollars)

		Three months ended October 31,		Nine months ended October 31,	
		2020	2019	**2020**	2019
	Notes	**$**	$	**$**	$
Revenues					
Advisory fees		**87,849**	6,384	**350,073**	33,591
Total revenues		**87,849**	6,384	**350,073**	33,591
Expenses					
Consulting fees	12	**96,718**	215,453	**362,185**	400,722
Professional fees		**8,635**	13,909	**17,047**	75,115
Investor relations		**189,517**	34,346	**190,017**	84,974
Business development		**-**	30,429	**1,134**	83,320
General and administration		**30,756**	19,345	**87,743**	71,387
Share based compensation	9	**359,339**	-	**359,339**	237,006
Total expenses		**(684,965)**	(313,482)	**(1,017,465)**	(957,524)
Interest, finance and accretion expense	11	**(91,687)**	(60,732)	**(213,170)**	(168,869)
Gain on revaluation of	11	**56,897**	11,960	**(108,682)**	51,990
Loss and comprehensive loss		**(631,906)**	(355,870)	**(989,244)**	(1,035,812)
Weighted average number of outstanding					
- Basic and diluted		**98,129,398**	59,233,766	**73,149,742**	55,811,497
Loss per share – basic and diluted		**$ (0.01)**	$ (0.01)	**$ (0.01)**	$ (0.02)

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

DIGICRYPTS BLOCKCHAIN SOLITIONS INC.
Unaudited Interim Condensed Consolidated Statements of Cash Flows
For the nine months ended October 30, 2020 and October 31, 2019
(Expressed in Canadian Dollars)

	2020	2019
	$	$
Cash Flows from Operating Activities		
Loss for the period	**(989,244)**	(1,035,812)
Non-cash items:		
Gain on revaluation of derivative liabilities	**108,682**	(51,990)
Share based compensation	**359,339**	237,006
Shares issued for services	**141,250**	-
Interest, finance and accretion expense	**213,170**	168,869
Net change in non-cash working capital items:		
HST receivable	**(76,126)**	(27,683)
Prepaid expenses	**(530,933)**	15,134
Accounts payable and accrued liabilities	**(26,801)**	(74,457)
Cash flows used in operating activities	**(800,663)**	(768,933)
Cash Flows from Investing Activities		
Purchase of investments	**(5,915)**	-
Development costs	**-**	(44,824)
Cash flows from Investing activities	**(5,915)**	(44,824)
Cash Flows from Financing Activities		
Proceeds from issuance of shares and warrants	**1,345,000**	650,000
Issue costs	**(89,618)**	-
Convertible debenture proceeds	**-**	550,000
Issuance costs on convertible debentures	**-**	(85,007)
Interest paid on debentures	**(78,239)**	(58,919)
Cash flows from financing activities	**1,177,143**	1,056,074
Increase in cash	**370,565**	242,317
Cash, beginning of period	**207,140**	146,080
Cash, end of period	**577,705**	388,397

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

DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.
Unaudited Interim Condensed Consolidated Statements of Changes in Equity (Deficiency)
For the nine months ended October 31, 2020 and October 31, 2019
(Expressed in Canadian dollars)

	Notes	Common Shares	Share Capital	Warrants	Contributed surplus	Deficit	Total
		#	$	$	$	$	$
Balance, January 31, 2019		53,990,909	2,141,381	-	-	(2,250,989)	(109,608)
Share based payments		-	-	-	237,006	-	237,006
Issuance of shares on private placement		6,600,000	660,000	-	-	-	660,000
Net loss for the period		-	-	-	-	(1,035,812)	(1,035,812)
Balance, October 31, 2019		60,590,909	2,801,381	-	237,006	(3,286,801)	(248,414)
Balance, January 31, 2020		60,590,909	2,801,381	-	219,054	(3,387,731)	(367,296)
Issuance of units of private placement	8	26,900,000	772,600	572,400	-	-	1,345,000
Share issue costs -cash	8	-	(89,618)	-	-	-	(89,618)
Share issue costs – warrants	8	-	(34,668)	34,668	-	-	-
Shares issued on acquisition	7	55,000,000	2,750,000	-	-	-	2,750,000
Share issued to settle debt		3,210,458	160,523	-	-	-	160,523
Share based payments	9	-	-	-	359,339	-	359,339
Net loss for the period		-	-	-	-	(989,244)	(989,244)
Balance, October 31, 2020		145,701,367	6,360,218	607,068	578,393	(4,376,975)	3,168,704

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

1. NATURE OF OPERATIONS AND GOING CONCERN

DigiCrypts Blockchain Solutions Inc. (the "**Company**") was incorporated on December 11, 1998 under the laws of the Province of Ontario, Canada. The registered office and principal place of business of the Company 33 Bloor St E, Toronto ON M4W 3H1.

The Company's principal activities are assisting businesses interested in raising capital and in the general development of their business. The Company's subsidiary, DigiMax Capital Corp., is a registered Exempt Market Dealer ("EMD") in Ontario. The Company is listed on the Canadian Securities Exchange ("CSE") and trades under the symbol "DIGI".

As at October 31, 2020, the Company had working capital of $1,230,305 (January 31, 2020 - $219,965), had not yet achieved profitable operations, had accumulated losses of $4,376,975 (January 31, 2020 - $3,387,731), and currently expects to incur further losses in the development of its business. There is no assurance that the operations of the Company and any future operations will be successful and profitable. These conditions raise material uncertainties as to the use of the going concern assumption in these consolidated financial statements.

These unaudited interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

These unaudited interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

The outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.

These financial statements were authorized by the Board of Directors of the Company on December 30, 2020.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance and compliance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the Company's annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended January 31, 2020.

(b) Significant judgments, estimates and assumptions

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The most significant judgments relate to the valuation of stock options and warrants, recognition of deferred tax assets and liabilities, capitalization of development costs, determination and valuation of derivative liabilities, and the assumption that the Company will continue as a going concern.

i. Determination of fair values using option pricing models

The Company measures the cost of equity-settled transactions consisting of stock options and share purchase warrants offered to service providers and employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value.

ii. Deferred taxes

The recognition of deferred tax assets is based on likelihood of future taxable income. The measurement of future taxable income for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

iii. Development costs

The capitalization of costs for internally generated intangible assets is subject to judgment including the technical feasibility, timeframe to commercialization, assessment of availability of resources to complete the project, and if economic benefits will be generated from its use.

2. BASIS OF PRESENTATION - CONTINUED

iv. Derivative liabilities

The Company values derivative liabilities by reference to their fair value at the date at which the instrument is granted. Estimating fair value requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life and volatility and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value.

v. Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in note 1.

(c) Basis of presentation

These consolidated financial statements are presented in Canadian dollars, which is functional currency of the Company and its wholly owned subsidiaries. The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3 of the audited financial statements for the year ended January 31, 2020.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's January 31, 2020 annual financial statements, except for the adoption of new standards and interpretations as of October 31, 2020.

New standards and interpretations

At the date of authorization of these consolidated Financial Statements, the IASB and the IFRS Interpretations Committee have issued certain new and revised Standards and Interpretations which are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded from these consolidated financial statements. The Company has not early adopted and is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's subsidiary, DigiMax Capital Corp., must maintain an excess minimum capital requirement, as defined by National Instrument 31-103, of not less than $50,000 plus their financial institutional bond policy deductible ($5,000), any other margin requirements as applicable, in order to maintain its status as an exempt market dealer. As at April 30, 2020, the Company was in compliance with its regulatory capital requirements. The Company is not subject to other externally imposed capital requirements.

4. CAPITAL MANAGEMENT - CONTINUED

The Company considers its capital to be shareholders' equity (deficiency), which is comprised of share capital, contributed surplus, and accumulated deficit.

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements and issuance of convertible debentures. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

5. COMPUTER SOFTWARE

		October 31, 2020	
	Additions	Accumulated depreciation and write offs	NBV
Computer software	$ 15,148	$ -	$ 15,148

6. FINANCIAL INTRUMENTS

Fair value

Financial instruments of the Company consist of cash, receivables, accounts payable and accrued liabilities, convertible debentures, and the derivative liabilities. There are no significant differences between the carrying amounts of the items reported on the statements of financial position and their estimated fair values.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. Where quoted market values are not readily available, the Company may use considerable judgment to develop estimates of fair value. Accordingly, any estimated values are not necessarily indicative of the amounts the Company could realize in a current market exchange and could be materially affected by the use of different assumptions or methodologies. The derivative liability is the only financial instrument at fair value through profit and loss and falls into level 3 fair value hierarchy.

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

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 prices comprise four types of risk: interest rate risk, foreign exchange risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

6. FINANCIAL INTRUMENTS - CONTINUED

Interest rate risk

The Company is exposed to interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash balance. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short-term nature of interest-bearing cash.

Liquidity risk

The Company is exposed to liquidity risk. Liquidity risk is the exposure of the Company to the risk of not being able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company’s future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing (see note 1).

Foreign exchange risk

The Company's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk.

The Company holds cash balances in foreign currencies which give rise to exposure to foreign exchange risk.

Credit risk

Credit risk is the risk of loss associated with counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Cash is held with a reputable Canadian chartered bank. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal.

Trade and other receivables represent concession fees earned from acting as intermediary to successful investment banking financing transactions. No bad debts were incurred during the nine months ended October 31, 2020 (2019 - $Nil). These fees are principally due from major international financial institutions and are paid shortly after closing with proceeds from the related financing transaction. Management therefore believes that the associated credit risk is minimal.

7. ACQUISITION OF DATANAVEE

On September 18, 2020, the Company acquired DataNavee Corporation. Pursuant to the terms of the share purchase and exchange agreement, the Company issued the shareholders of DataNavee (the “Vendors”) 55,000,000 common shares (the “Consideration Shares”) in exchange for 100% of the issued and outstanding shares of DataNavee. Accordingly, DataNavee is now a wholly owned subsidiary of the Company. The Consideration Shares are subject to contractual hold periods resulting in them being transferable in four tranches including 25% immediately, 25% four months after today’s date, 25% eight months after today’s date, and 25% twelve months after today’s date. At the date of acquisition, DataNavee had no assets or liabilities, and therefore the full amount of the purchase price has been allocated to goodwill.

8. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value.

As at October 31, 2020, there are 145,701,367 (January 31, 2020 – 60,590,909) shares outstanding.

(i) On August 20, 2019, the Company completed a non-brokered private placement of 6,600,000 common shares issued at $0.10 per share for proceeds of $660,000.

(ii) On September 1, 2020 the Company issued 385,458 common shares to debenture holders in accordance with an agreement to defer debenture interest payments without triggering penalties under the debenture agreements.

(iii) On September 9, 2020, the Company closed the first tranche of a private placement for gross proceeds of $440,000 from the issuance of 8,800,000 units. The subscription price per unit was $0.05 and each unit ("Unit") consisted of one common share of the Company and one common share purchase warrant, with each warrant exercisable at $0.05 per share for 24 months following closing. The warrants were valued at $203,900 using the black scholes pricing model using the following assumptions: risk free rate of return 0.27% and an annualized volatility 232%. In connection with the private placement the Company paid finders fees of $35,200 in cash and 8% broker warrants exercisable for 704,000 common shares of the Company exercisable at $0.05 per share for 24 months following closing. The broker warrants were value at $16,314.

On September 30, 2020, the Company closed the second tranche of a private placement for gross proceeds of $765,000 from the issuance of 15,300,000 Units. The warrants were valued at $303,600. In connection with the private placement the Company paid finders fees of $41,200 in cash and 8% broker warrants exercisable for 648,000 common shares of the Company exercisable at $0.05 per share for 24 months following closing. The broker warrants were value at $15,017.

On October 28, 2020, the Company closed the final tranche of a private placement for gross proceeds of $140,000 from the issuance of 2,800,000 Units. The warrants were valued at $64,900. In connection with the private placement the Company paid finders fees of $7,200 in cash and 8% broker warrants exercisable for 144,000 common shares of the Company exercisable at $0.05 per share for 24 months following closing. The broker warrants were value at $3,337.

Other issue costs totalled $6,018.

(iv) On September 18, 2020, the Company issued 55,000,000 common shares in connection with the acquisition of DataNavee (see note 7).

(v) On September 30, 2020, the Company issued 2,825,000 common shares to settle debt of $141,2500 to various non-related parties.

(Expressed in Canadian Dollars)

9. STOCK OPTIONS

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of ten years with vesting requirements at the discretion of the Board of Directors.

Company records a charge to the statement of loss and comprehensive loss using the Black-Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on a number of estimates, including the risk-free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. The level of share volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

	Number of stock options	Weighted average exercise price
Balance on January 31, 2019	-	-
Issued (i) (ii)	6,289,000	0.10
Forfeited (iii)	(2,989,000)	0.10
Balance on January 31, 2020	3,300,000	0.10
Forfeited	(1,000,000)	0.10
Issued (iii)	9,050,000	0.05
	11,350,000	0.06

(i) On March 22, 2019, the Company granted 4,389,000 options to officers, directors and consultants exercisable at $0.10 expiring on March 22, 2021. The options were valued at $161,453 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 1.540%; expected volatility of 88.34%; expected dividend yield of 0% and an expected life of 2 years. During the year, 2,989,000 of the options expired unexercised early as the holders of the options ceased to be a director and/or officer and/or service provider of the Company.

(ii) On August 12, 2019, the Company granted 1,900,000 options to officers and directors exercisable at $0.10 expiring on August 12, 2021. The options were valued at $57,600 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 1.36%; expected volatility of 198.74%; expected dividend yield of 0% and an expected life of 2 years.

(iii) On February 4, 2020, the Company granted 2,200,000 options to officers and directors exercisable at $0.05 expiring on February 4, 2022. The options were valued at $28,715 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 0.27%; expected volatility of 232%; expected dividend yield of 0% and an expected life of 2 years.

(Expressed in Canadian Dollars)

9. STOCK OPTIONS - CONTINUED

(iv) On April 22, 2020, the Company granted 100,000 options to a consultant exercisable at $0.05 expiring on April 22, 2022. The options were valued at $1,236 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 0.27%; expected volatility of 232%; expected dividend yield of 0% and an expected life of 2 years.

(v) On September 9, 2020, the Company granted 3,500,000 a consultant exercisable at $0.06 expiring on September 9, 2022. The options were valued at $188,802 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 0.27%; expected volatility of 232%; expected dividend yield of 0% and an expected life of 2 years.

(vi) On September 30, 2020, the Company granted 2,750,000 a consultant exercisable at $0.05 expiring on September 30, 2022. The options were valued at $110,587 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate 0.27%; expected volatility of 232%; expected dividend yield of 0% and an expected life of 2 years.

The following table reflects the actual stock options outstanding as of October 31, 2020:

Number of options outstanding	Grant date fair Value ($)	Exercise price ($)	Expiry date
250,000	9,199	0.1	15-Dec-20
250,000	9,199	0.1	31-Jan-21
1,050,000	38,636	0.1	22-Mar-21
250,000	9,199	0.1	22-Dec-21
1,000,000	64,000	0.1	10-Aug-21
2,200,000	28,715	0.05	4-Feb-22
100,000	1,236	0.05	22-Apr-22
3,500,000	188,802	0.06	9-Sep-22
2,750,000	110,587	0.05	22-Sep-22

10. WARRANTS

Share purchase warrant transactions for the nine months ended October 31, 2020 and the year ended January 31, 2020 are as follows:

	Warrants \#	Weighted Average $	Fair Value $
Warrants issued (i)	5,325,000	0.20	-
Balance January 31, 2019	**5,325,000**	**0.20**	**-**
Warrants expired (i)	(5,325,000)	(0.20)	-
Warrants issued (ii)	2,586,250	0.11	56,400
Balance January 31, 2020	**2,586,250**	**0.11**	**56,400**
Warrants issued (iii)	28,396,000	0.05	607,068
	28,654,620	**0.06**	**663,468**

(Expressed in Canadian Dollars)

10. WARRANTS - CONTINUED

(i) Pursuant to the issuance of 10,650,000 units (see Note 9 (iv)), the Company issued 5,325,000 common share purchase warrants. Each whole warrant is exercisable at a price of $0.20 per share and expire on the earlier of (i) March 29, 2020, or (ii) 30 days following the date that a notice is delivered from the Company to the holder of the warrant that the shares have traded on a stock exchange for 10 consecutive days at a closing price in excess of $0.40 per share.

On February 8, 2019, the Company issued to the holders of the February 2019 Debentures (Note 12) and the September 2018 Debentures (Note 11) 2,586,250 common share purchase warrants. These warrants are exercisable for a period of two years from issuance into common shares at an exercise price equal to the lowest of (i) $0.30, (ii) the product of the conversion price (lesser: of (i) $0.20; or (ii) 75% of the lowest price offered in a private placement of common shares subsequent to debentures being issued) multiplied by 1.5, and (iii) the exercise price of common share purchase warrants issued by the Company prior to the expiration of the warrants for each warrant exercised.

(ii) See note 8(iii) private placements

The following table reflects the actual warrants outstanding and exercisable as of October 31, 2020:

Number of warrants outstanding	Grant date fair Value ($)	Exercise price ($)	Expiry date
2,586,250	56,700	As above	February 8, 2021
28,396,000	607,098	$0.05	September – October 2022

11. CONVERTIBLE DEBENTURES

On September 29, 2018, the Company issued convertible debentures (the “September 2018 Debentures”) in the amount of $484,500. The holders of the September 2018 Debentures were granted a first-position General Security Arrangement over the assets of the Company and its subsidiaries. The September 2018 Debentures carry a 10% simple interest coupon payable in cash at the end of each calendar quarter and the Company may force the conversion of the September 2018 Debentures to common equity if the Company’s shares are listed on the CSE and close above $0.20 per share for more than 20 consecutive trading days. The conversion price will be the lower of $0.075 per share, or 75% of the lowest price any common shares are issued by the Company subsequent to the closing of this September 2018 Debentures issuance. Upon conversion, the September 2018 Debentures holders will also receive a warrant for ½ of one common share for each converted common share at a strike price equal to 1.5 times the conversion price and such warrants will have a term of 2 years following the date of conversion. The September 2018 Debentures mature September 28, 2021.

(Expressed in Canadian Dollars)

11. CONVERTIBLE DEBENTURES – CONTINUED

On February 8, 2019, the Company completed a secured convertible debenture (the "February 2019 Debentures") financing for $550,000, incurring issuance costs of $85,006, for net proceeds of $464,994. Each February 2019 Debentures bears interest at a rate of 10% per annum, which is payable in cash to the holders thereof on the last date of each calendar quarter for a period of three years from the date of issue or the date the February 2019 Debentures are converted. The February 2019 Debentures are convertible at the option of the holder into common shares (the "Common Shares"), at a conversion price that is the lesser of (i) $0.20, or (ii) 75% of the lowest price offered in a private placement of the Company's common shares (the "Conversion Price") while such February 2019 Debentures remain outstanding.

On February 28, 2019, the Company issued amended secured convertible debentures to the holders of the September 2018 Debentures such that the terms of the September 2018 Debentures have been amended to mirror the terms of the above February 2019 Debentures.

The following is a summary of the convertible debenture liability:

	$
Balance January 31, 2019	**380,140**
Issuance of debentures	550,000
Issuance costs	(85,007)
Derivative liability component	(498,666)
Accretion expense	87,872
Balance, January 31, 2020	**434,339**
Accretion expense	115,658
Balance, October 31, 2020	**549,997**

The Debentures are classified as a financial liability recorded at amortized cost, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the debentures being less than the face value.

The conversion feature meets the definition of a derivative liability instrument because the conversion rate is variable and therefore does not meet the “fixed-for-fixed” criteria outlined under IFRS. As a result, the conversion feature is required to be recorded as a derivative liability recorded at fair value and marked-to-market each period with the changes in fair value each period recorded in profit or loss.

The derivative liability of the September 2018 Debentures was valued at $64,600 on the issuance date. As at October 31, 2020, the derivative liability had a value of $109,820 (January 31, 2020 - $64,845), which resulted in a gain(loss) on revaluation of the derivative liability for the three and nine months ended October 31, 2020 of $19,380 and $(44,975). The derivative liability was valued as at September 29, 2018, January 31, 2019, January 31, 2020, April 30, 2020, July 31, 2020 and October 31, 2020 using the Black Scholes model with the following assumptions:

(Expressed in Canadian Dollars)

11. CONVERTIBLE DEBENTURES – CONTINUED

	9/29/2018	1/31/2019	1/31/2020	4/30/2020	7/31/2020	10/31/2020
Annualized Volatility	100%	100%	165%	165%	165%	165%
Risk-free interest rate	2.00%	2.00%	1.40%	1.40%	1.40%	1.40%
Dividend Yield	0%	0%	0%	0%	0%	0%
Expected life	3 years	2.66 years	1.66 years	1.41 years	1.16 years	0.91 years

The derivative liability of the February 2019 Debentures was valued at $498,666 on the issuance date. As at October 31, 2020, the derivative liability had a value of $154,000 (January 31, 2020 - $84,825), which resulted in a gain(loss) on revaluation of the derivative liability for three and nine months ended October 31, 2020 of $22,000 and $(69,175). The derivative liability was valued as at February 8, 2019, January 31, 2020, April 30, 2020, July 31, 2020 and October 31, 2020 using the Black Scholes model with the following assumptions:

	2/8/2019	1/31/2020	4/30/2020	7/31/2020	10/31/2020
Annualized Volatility	100%	165%	165%	165%	165%
Risk-free interest rate	1.78%	1.40%	1.40%	1.40%	1.40%
Dividend Yield	0%	0%	0%	0%	0%
Expected life	3 years	2.02 years	1.78 years	1.53 years	1.27 years

The warrants issued in connection with the February 2019 Debentures (see note 11 (ii)), are also considered a derivative liability because they do not meet the “fixed for fixed” criteria. As at October 31, 2020, the derivative warrant liability had a value of $12,932 (January 31, 2020 - $18,400), which resulted in a gain(loss) on revaluation of the derivative liability for the three and nine months ended October 31, 2020 of $15,517 and $5,468.

12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management salaries

Key management includes members of the board of directors, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the three and nine months ended October 31, 2020 and October 31, 2019:

(i) During the three and nine months ended October 31, 2020, payments of $3,544 and $73,871 (being $28,871 calculated as a percentage of revenues earned, and $45,000 for CEO consulting fees), (three and nine months ended October 31, 2019 - $30,000 and $90,000). $5,000 of the consulting fees has been accrued and included in accounts payable and accrued liabilities.

(ii) During the three and nine months ended October 31, 2020, $9,000 and $27,000 (there and nine months ended October 31, 2019 - $9,000 and $27,000) was charged by CFO Advantage Inc. (“CAI”), a Company owned by the Chief Financial Officer of the Company, for CFO consulting fees. As at October 31, 2020, $3,390 (January 31, 2020 - $3,390) of these fees were included in accounts payable and accrued liabilities.

(iii) During the three and nine months ended October 31, 2020, a former director was paid consulting fees of $47,534 and $118,270 (2019 - $nil) for advisory work related to Digimax Capital Corp, all of which was paid as a percentage of revenues earned.

13. COMMITMENTS

The Company has no commitments as at October 31, 2020.

14. SUBSEQUENT EVENTS

In November and December 2020, the Company received conversion notices from its convertible debenture holders to convert $970,000 of its convertible debenture outstanding (note 11). In accordance with the conversion feature, the Company issued 19,400,000 common shares and 9,700,000 common share purchase warrants. The warrants have an exercise price of $0.05 and expire 2 years from the date of issue.

In November and December 2020, a total of 4,650,000 warrants and 1,250,000 Options were exercised.

In November 2020, Lowell Kamin stepped down as a Director. Mr. Kamin remains as a Registered Trading Representative with DigiMax Capital Corp., the registered Exempt Market Dealer owned by the Company.

November 13, 2020 the Company announced that it has signed a Definitive Letter of Intent (the "LOI") with NELI International Incorporated ("NELI") to acquire, by way of private sale to acquire, substantially all of the assets of Darwin Ecosystem, based in Texas, USA. On December 21, 2020, the Company announced it has executed the final asset purchase agreement with NELI. Pursuant to the Asset Purchase, the Company has acquired substantially all of the assets of Darwin Ecosystem, based in Texas, USA (the "Assets") by way of the issuance of units of the Company valued at the time of the LOI at $300,000. The purchase price of the Assets was satisfied through the issuance of units of the Company (the "Units") at a deemed price of $0.06 per Unit. Each Unit consists of one common share of the Company and one common share purchase warrant, exercisable for a period of two years from the date of issuance at a price of $0.075 per share. The Units will be placed in escrow, then 50% of the Units will be released four months and one day from the date hereof (the "Closing Date"), 25% released eight months from the Closing Date and the remaining 25% released 12 months from the Closing Date. In addition, the Company issued 500,000 Warrants with an exercise price of $0.075 and an expiry date of December 18, 2022 to an arm's length consultant.