



DIGIMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

MANAGEMENT’S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Digimax Global Inc. (formerly Digicrypts Blockchain Solutions Inc.), (“Digimax” or the “Company”) as at and for the three and six months ended July 31, 2021 (the “July 2021 Financial Statements”) are the responsibility of the management and Board of Directors of the Company.

The July 2021 Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in Note 3 to the Company’s audited annual consolidated financial statements as at and for the year ended January 31, 2021. In preparing the July 2021 Financial Statements, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, the July 2021 Financial Statements of the Company have been prepared within acceptable limits of materiality and are in compliance with International Accounting Standard 34, “Interim Financial Reporting”.

Management has established processes which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the July 2021 Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as at the date of, and for the periods presented by, the July 2021 Financial Statements; and (ii) the July 2021 Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as at the date of and for the periods presented by the July 2021 Financial Statements.

The Board of Directors is responsible for reviewing and approving the July 2021 Financial Statements, together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibility. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee has met with management to review the financial reporting process and other financial information of the Company, including the July 2021 Financial Statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial disclosure of the Company, including the July 2021 Financial Statements, for issuance to the Company’s shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Chris Carl”
Chris Carl
Chief Executive Officer

“David Bhumgara”
David Bhumgara
Chief Financial Officer

Toronto, Canada
September 28, 2021

NOTICE TO READER

The July 2021 Financial Statements have been prepared by and are the responsibility of management. These financial statements have not been reviewed by the Company’s independent external auditor.

DIGIMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at July 31, 2021 and January 31, 2021

(Expressed in Canadian dollars)

		July 31, 2021	January 31, 2021
ASSETS			
Current Assets			
Cash and cash equivalents	\$	10,429,567	\$ 1,151,674
HST and other receivables		299,884	187,718
Prepaid expenses		194,787	376,133
Investments	6	6,421,067	195,003
Digital currencies	7	97,406	-
Assets held for sale	18	97,797	89,762
		17,540,508	2,000,290
Non-current Assets			
Intangible assets	8	4,190,452	3,786,667
Digital currencies	7	3,251,713	-
Right-of-use asset	9	106,758	-
		7,548,923	3,786,667
Total Assets	\$	25,089,431	\$ 5,786,957
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	10	\$ 72,587	\$ 180,904
Derivative liabilities	11	-	175,865
Lease liability	9	109,388	-
Note payable	4	271,358	-
Deferred revenue		1,726	-
Liabilities held for sale	18	12,396	19,896
		467,455	376,665
SHAREHOLDERS' EQUITY			
Share capital	12	18,831,181	9,353,971
Shares to be issued	12	276,000	75,000
Warrants reserve	13	10,350,759	933,850
Share based payments reserve	14	3,127,717	610,985
Accumulated deficit		(10,614,553)	(5,563,514)
Accumulated other comprehensive income		2,650,872	-
Total Shareholders' Equity		24,621,976	5,410,292
Total Liabilities and Shareholders' Equity	\$	25,089,431	\$ 5,786,957

Nature of operations (Note 1)**Commitments (Note 16)****Subsequent events (Note 17)**

Approved on behalf of the Board on September 28, 2021:

"Chris Car"
Director

"Michael Kron"
Director

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

DIGIMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three and six months ended July 31, 2021 and 2020

(Expressed in Canadian dollars)

	Notes	Three months ended July 31,		Six months ended July 31,	
		2021	2020	2021	2020
Revenues					
Advisory fees		\$ -	\$ 97,630	\$ -	\$ 172,474
Subscription fees		29,094	-	47,767	-
Total Revenues		29,094	-	47,767	172,474
Expenses					
Consulting fees	15	559,988	156,093	736,648	227,823
Professional fees		33,214	205	140,528	8,412
Investor relations		106,724	500	165,746	500
Business development		277,354	(500)	571,258	1,134
General and administration		50,693	36,848	75,699	56,152
Amortization expense	8	228,606	-	433,755	-
Share based compensation	13,14,15	1,052,818	-	3,070,804	-
Total Expenses		(2,309,397)	(193,146)	(5,194,438)	(294,021)
		(2,280,303)	(193,146)	(5,146,671)	(121,547)
Other income/(expenses)					
Interest, finance and accretion expense		(3,107)	(63,200)	(6,787)	(121,483)
Realized loss on sale of digital currencies	7	(5,178)	-	(5,178)	-
Gain/(Loss) on revaluation of derivative liabilities	11	-	(15,955)	175,865	(165,579)
Foreign exchange income		49,589	-	49,589	-
Interest earned on investments		13,670	-	19,195	-
Unrealized loss on investments	6	(39,580)	-	(86,952)	-
Net Loss from continuing operations		(2,264,909)	(272,301)	(5,000,939)	(408,609)
Income/(Loss) from discontinued operations	18	(32,402)	58,040	(50,100)	51,271
Net Loss loss before income tax expense		(2,297,311)	(214,261)	(5,051,039)	(357,338)
Income tax expense		-	-	-	-
Net loss for the period		(2,297,311)	(214,261)	(5,051,039)	(357,338)
Other comprehensive income					
Unrealized gains on digital currencies	7	2,650,872	-	2,650,872	-
Other comprehensive income for the period		2,650,872	-	2,650,872	-
Comprehensive income (loss) for the period		353,561	(214,261)	(2,400,167)	(357,338)
Weighted average shares outstanding					
- Basic and diluted		267,652,008	60,590,909	253,673,798	60,590,909
Loss per share from continuing operations - basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Loss per share from discontinued operations - basic and diluted		\$ (0.00)	\$ 0.00	\$ (0.00)	\$ 0.00

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

DIGMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the six months ended July 31, 2021 and 2020

(Expressed in Canadian dollars)

	Notes	2021	2020
Cash Flows from Operating Activities			
Net loss for continuing operations for the period	\$	(5,000,939)	\$ (408,609)
Non-cash items:			
Realized loss on digital currencies	7	5,178	-
Amortization expense	8	441,118	-
Unrealized gain on sale of investments	6	86,952	-
Gain/(loss) on revaluation of derivative liabilities		(175,865)	165,579
Interest, finance and accretion expense		-	121,483
Shares issued for services		260,000	-
Share based compensation		3,070,804	-
		(1,312,752)	(121,547)
Net change in non-cash working capital items:			
HST and other receivables		(112,166)	(7,345)
Prepaid expense		181,346	-
Deferred revenue		1,726	-
Accounts payable and accrued liabilities		(108,317)	(16,602)
Cash used in continuing operations		(1,350,163)	(145,494)
Cash used in discontinued operations	18	(65,635)	46,421
Cash Flows used in operating activities		(1,415,798)	(99,073)
Cash Flows from Financing Activities			
Proceeds from issuance of units	10	18,331,099	-
Issuance costs		(1,591,894)	-
Proceeds from the exercise of warrants and options	11	1,541,842	-
Principal payments of lease liability	9	(4,733)	-
Repayment of notes payable	4	(121,228)	-
Interest paid on debentures		-	(19,985)
Cash Flows from financing activities		18,155,086	(19,985)
Cash Flows from Investing Activities			
Purchase of investments	6	(6,313,016)	-
Development costs	8	(444,954)	-
Purchase of digital currencies	7	(4,059,314)	-
Sales of digital currencies	7	3,355,889	-
Cash flows used in continued investing activities		(7,461,395)	-
Cash flows used in discontinued investing activities		-	-
Cash Flows used in investing activities		(7,461,395)	-
Increase in cash		9,277,893	(119,058)
Cash, beginning of the period		1,151,674	207,140
Cash, end of the period	\$	10,429,567	\$ 88,082
Supplemental disclosure of cash flow information			
Interest paid		-	19,985
Income taxes paid		-	-

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

DIGMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)
Unaudited Interim Condensed Consolidated Statements of Changes in Equity (Deficiency)
For the six months ended July 31, 2021 and 2020

(Expressed in Canadian dollars)

	Share Capital			Reserves			Accumulated Other Comprehensive Income	Total
	Number of shares	Dollar amount	Shares to be issued	Share based Payments	Warrants	Deficit		
Balance, January 31, 2020	60,590,909	\$ 2,801,381	\$ -	\$ 219,054	\$ -	\$ (3,387,731)	\$ -	\$ (367,296)
Net loss and comprehensive loss for the period	-	-	-	-	-	(357,338)	-	(357,338)
Balance, July 31, 2020	60,590,909	2,801,381	-	219,054	-	(3,745,069)	-	(724,634)
Issuance of shares on private placement (Note 12 (ii))	26,900,000	721,615	-	-	684,391	-	-	1,406,006
Share issue costs - cash	-	(83,600)	-	-	-	-	-	(83,600)
Share issue costs - warrants	-	(290,797)	-	-	290,797	-	-	-
Shares and warrants issued on acquisition (Note 12 (iii) (v))	60,000,000	3,850,000	-	-	147,380	-	-	3,997,380
Shares and warrants issued to settle debt (Note 12 (i) (iv))	3,210,456	167,523	-	-	49,773	-	-	217,296
Shares issued on conversion of debentures (Note 12 (vi))	20,840,000	797,962	-	-	-	-	-	797,962
Exercise of warrants	11,550,000	815,991	50,000	-	(238,491)	-	-	627,500
Exercise of options	5,700,000	573,896	25,000	(228,896)	-	-	-	370,000
Share based payments	-	-	-	620,827	-	-	-	620,827
Net loss and comprehensive loss for the period	-	-	-	-	-	(1,818,445)	-	(1,818,445)
Balance, January 31, 2021	188,791,365	\$ 9,353,971	\$ 75,000	\$ 610,985	\$ 933,850	\$ (5,563,514)	\$ -	\$ 5,410,292
Issuance of units on private placement (Note 12 (vii) (viii))	52,374,570	9,429,517	-	-	8,901,582	-	-	18,331,099
Share issue costs - cash	-	(1,591,894)	-	-	-	-	-	(1,591,894)
Share issue costs - broker warrants	-	(1,012,903)	-	-	1,012,903	-	-	-
Shares issued to settle debt (Note 12 (ix))	796,078	260,000	-	-	-	-	-	260,000
Exercise of warrants (Note 13)	21,103,000	1,536,333	(25,000)	-	(497,576)	-	-	1,013,757
Exercise of options (Note 14)	5,200,000	856,157	(50,000)	(306,157)	-	-	-	500,000
Shares issued on RSUs vested (Note 14)	-	-	276,000	(276,000)	-	-	-	-
Share based payments	-	-	-	3,098,889	-	-	-	3,098,889
Other comprehensive income (Note 7)	-	-	-	-	-	-	2,650,872	2,650,872
Net loss for the period	-	-	-	-	-	(5,051,039)	-	(5,051,039)
Balance, July 31, 2021	268,265,013	\$ 18,831,181	\$ 276,000	\$ 3,127,717	\$ 10,350,759	\$ (10,614,553)	\$ 2,650,872	\$ 24,621,976

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

DIGIMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

For the three and six months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS

Digimax Global Inc. (formerly 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 390 Bay St. Toronto ON M5H 2Y2.

The Company, through its recent acquisition of 100% of DataNavee Corporation (“DataNavee”) is focused on utilizing advanced financial technologies, together with predictive analytics derived from artificial intelligence-based machine learning, to provide its customers with products and services in multiple market sectors.

The Company’s other subsidiary, DigiMax Capital Corp., is a registered Exempt Market Dealer (“EMD”) in Ontario, Digimax Cayman. On April 19, 2021, the Company announced it has an agreement to sell, subject to regulatory approval, DigiMax Capital Corp. (see note 18).

The Company is listed on the Canadian Securities Exchange (“CSE”) and trades under the symbol “DIGI”.

Covid-19

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. The Company cannot accurately predict the impact COVID-19 will have on third parties’ ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company’s business including without limitation, employee health, workplace productivity, and other factors that will depend on future developments beyond the Company’s control. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries resulting in an economic downturn that could negatively impact the Company’s financial position, financial performance, cash flows, and its ability to raise capital. Since the initial outset of the pandemic, the Company did not experience a significant decline in sales for most of the operating businesses. 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 Company and its operating subsidiaries in future periods.

2. BASIS OF PRESENTATION

(a) Basis of presentation and statement of compliance

The Company’s unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, “Interim Financial Reporting”. These unaudited condensed interim consolidated financial statements do not include all notes of the type normally included within the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended January 31, 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed interim consolidated financial statements were approved and authorized by the Company’s Board of Directors on September 28, 2021.

DIGIMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

For the three and six months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

(b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value, as explained in the accounting policies described herein.

(c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions were eliminated on consolidation. Subsidiaries are entities the Company controls when it has the power, directly or indirectly to govern the financial and operating policies of an entity, and it is exposed, or has rights, to variable returns from its involvement with the entity.

Subsidiaries	Jurisdiction of incorporation	Ownership interest
2618249 Ontario Corp.	Ontario, Canada	100%
DataNavee Corporation	Ontario, Canada	100%
Digimax Fund SPC	Cayman Islands	80%
Digimax Capital Corp	Ontario, Canada	100%

(d) Functional and presentation currency

All figures presented in the condensed interim consolidated financial statements are reflected in Canadian dollars, which is the functional currency of the parent and all of the Company's owned subsidiaries. Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the condensed interim consolidated statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains or losses are recognized through profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction unless it is measured at fair value in which case it is translated using the exchange rate at the date when the fair value was measured.

(e) Significant judgments, estimates and assumptions

The preparation of these condensed interim consolidated 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. Significant estimates and judgements include but are not limited to the following:

- i. Measurement of warrants received as revenue and fair value measurement of investments at reporting period ends

The Company measures warrants received in connection with concession fees earned using Black-Scholes pricing model, taking into account the terms and conditions upon which the instruments are granted. The Company conducts a fair value remeasurement of any outstanding unexercised warrants received at each reporting date. Estimating fair value for investments 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 warrants, volatility and dividend yield and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

DIGIMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

For the three and six months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

ii. Estimated useful lives and amortization of intangible assets

Amortization of intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The assessment of any impairment is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

iii. Business Combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets and liabilities acquired, the most significant estimates relate to intangible assets. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

iv. Determination of fair value of equity settled transactions 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.

v. Share-based payments

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

vi. Warrants

The Company uses the Black-Scholes model to calculate the value of warrants issued as part of the Company's private placements. The Black-Scholes model requires six key inputs to determine a value of warrants: risk-free interest rate, exercise price, market price at the date of issuance, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the warrants or higher volatility number used would result in an increase in the warrant value.

vii. Income taxes

The Company applies judgment in determining the tax rates applicable to the temporary differences to determine the provision for income taxes. Deferred taxes relate to temporary differences between accounting and tax asset values. They are measured using tax rates that are expected to apply in the year when the asset is realized, or the liability is settled. Temporary differences are differences between accounting and tax asset values expected to be deductible or taxable in the future.

DIGIMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

For the three and six months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

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.

viii. Impairment of intangible assets

Intangible assets are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of intangible assets has been impaired. In order to determine if the value of intangible assets have been impaired, the cash-generating unit to which the intangible assets have been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of the intangible assets.

ix. 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.

x. 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.

xi. Functional and presentation currency

In determining the functional currency of the parent and its subsidiary, the Company considers the currency that mainly influences sales and the cost of providing goods and services in each jurisdiction in each the Company operates. The Company also considered secondary indicators including the currency in which funds from financing activities are denominated, the currency in which funds are retained and whether the activities of the subsidiaries are carried out as an extension of the Company or if they are carried out with a degree of autonomy.

xii. Digital currencies

There is limited guidance on the recognition and measurement of digital currencies. The Company has to use judgement to determine fair value of certain digital currencies where their maybe resale restrictions or limited market volume in determine the fair value of certain digital currencies.

DIGIMAX GLOBAL INC. (formerly DIGICRYPTS BLOCKCHAIN SOLUTIONS INC.)

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

For the three and six months ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

xiii. Fair value of investments

The Company holds an investment in public, and private companies and are recorded in the Company's consolidated statements of financial position at values that are representative of, or approximate fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by reference to its quoted market price or dealer price quotations. For all other financial instruments carried at fair value, the fair value is determined using valuation techniques. Such techniques may reflect recent arm's length transactions in trading of the underlying financial instrument, reference to the current fair value of another instrument that has substantially the same terms, valuations of comparable companies, or discounted income or cash flow analysis. By their nature, these valuation models require the use of assumptions. Changes in the underlying assumptions of these models could materially impact the determination of the fair value of a financial instrument. Imprecision in determining fair value using these valuation techniques may affect the amount of net loss recorded for a particular investment in a particular period. The Company reviews assumptions relating to financial instruments on an ongoing basis to ensure that the basis for the determination of fair value is appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the audited financial statements of the Company for the year ended January 31, 2021, with the exception of policies outlined below:

(a) Adoption of IFRS 16 – Leases

IFRS 16 introduced a single, on-balance sheet accounting model for leases. The Company, as a lessee, has recognized right-of use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company recognized a right-of-use asset and a lease liability at the lease commencement date of June 15, 2021. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation or impairment losses and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company primarily uses its incremental borrowing rate as the discount rate. The weighted average discount rate used was 10.5% at the time of adoption June 15, 2021. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has furthermore applied judgment to determine the applicable discount rate. The discount rate is based on the Company's incremental borrowing rate and reflects the current market assessments of the time value of money and the associated risks for which the estimates of future cash flows have not been adjusted for.

(b) Digital currencies

The Company's digital currencies are comprised of cryptocurrencies which are limited in supply, created and traded through open-source software and used as both a means of exchange and a store of value. Cryptocurrencies meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. On the date acquired, cryptocurrencies are initially recorded at cost and the revaluation method is used to measure the cryptocurrencies subsequently. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit

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or loss. The cryptocurrencies are recorded on the statement of financial position at their fair value at the time of acquisition, which is determined using a volume weighted average rate at the time of the transaction per CoinMarketCap, an online coin price aggregator. The cryptocurrencies are subsequently re-measured at the end of each financial reporting period using CoinMarketCap's volume weighted average rate as at the period end date.

(c) Restricted share units

The Company issues restricted share unit ("RSU") awards from time to time to directors, employees and consultants. RSU entitles the recipients to receive one common share of the Company on vesting. The fair value of RSU were determined by the Company's share price on the date of the award and recorded as part of share based compensation in the statements of loss and comprehensive loss for the period.

(d) Financial instruments

Financial assets and financial liabilities, note payable and derivatives, are recognized on the condensed interim consolidated statement of financial position when the Company becomes party to the financial instrument or derivative contract.

i) *Digital currencies risk*

Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets. In addition, the Company may not be able liquidate its digital currency at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets. Digital assets have a limited history and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance.

The following table summarized those assets and liabilities that are included at their fair value in the Company's financial statements of financial position. These asset and liabilities have been categorized into hierarchical levels, according to the significance of the inputs used in determining fair value measurements.

Financial Instrument	Classification	Fair Value Hierarchy			Total
		Level 1	Level 2	Level 3	
Financial assets					
Cash and cash equivalents	FVTPL	10,429,567	-	-	10,429,567
Investments	FVTPL	4,563	6,416,504	-	6,421,067

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(e) Revenue from subscription fees

Revenue recognition policy

During the six months ended July 31, 2021, the Company derives its revenues from providing consulting fees to its clients and assisting clients to raise capital financing, and subscription fees from clients using the Company's Cyptohawk.ai predictive cryptocurrency application.

Subscription fees are earned as software-as-a-service (SaaS) when online subscribers register and pay for monthly subscription to the Company's recently launched CryptoHawk.ai price predictor indicator software. SaaS allows a client access to the Company's software on the platform hosted by a third party without taking possession of the software. The Company's subscription service contracts do not provide for refunds or any other rights of return to merchants in the event of cancellations.

During the six months ended July 31, 2021, SaaS was offered either on a month to month basis or an annual subscription. Where fees are fixed for the term, revenue is recognized ratably over the term commencing when the customer has the right to access the platform.

(f) Development costs

Development costs consist of costs incurred to develop the app to earn revenue with respect to the Company's business operations. Development costs are capitalized in accordance with IAS 38, *Intangible Assets*, and accordingly are recognized when the Company can demonstrate (i) the technical feasibility of the asset, (ii) the intention to complete and use or sell the asset, (iii) the ability to use or sell the asset, (iv) how the intangible asset will generate probable future economic benefits, (v) the availability of adequate technical, financial and other resources to complete the app and to use or sell the asset, and (vi) ability to reliably measure the expenditure attributable to the asset during its development. Costs that do not meet these criteria are considered research costs and are expensed as incurred.

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if any. Software and platform development costs are intangible assets with a finite useful life, and accordingly are amortized over the assets' estimated useful life commencing when the asset was available for use, being when it is in the condition necessary for it to be capable of operating in the manner intended by management.

Software development costs are amortized on a straight-line basis over 5 years.

When a project is deemed to no longer have commercially viable prospects to the Company, development expenditures in respect of that project are deemed to be impaired. As a result, those development costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

(g) New standards and interpretations

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

At the date of authorization of these condensed interim 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 condensed interim 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 condensed interim consolidated financial statements of the Company.

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4. ACQUISITIONS

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.

Since DataNavee did not meet the definition of a business under *IFRS 3 – Business Combinations*, the acquisition was accounted for as a purchase of DataNavee’s assets. The consideration paid was determined as equity-settled share-based payments under IFRS 2, at the fair value of the equity of the Company issued to the shareholders of DataNavee on the date of closing as noted above. IFRS 2 requires the shares issued for the acquisition of the net assets of DataNavee to be measured at the fair value of the net assets, unless the fair value cannot be reliably estimated.

The following represent the preliminary fair value allocation to identifiable net assets acquired at January 31, 2021. Remeasurement may be made up to the finalization of the purchase price allocation which cannot be later than September 17, 2021 (one year after the transaction per IFRS 3.45):

	Total
Accounts receivable	6
Other receivables	630
Intangible assets	3,051,394
Accounts payable and accrued liabilities	(27,030)
	\$ 3,025,000
Fair value of consideration paid:	
Common Shares	3,025,000
	3,025,000

Darwin Ecosystem

On 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 price of \$0.17 per Unit on the date of close on the transaction. 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 5,000,000 Warrants with an exercise price of \$0.075 and an expiry date of December 18, 2022 to an arm’s length consultant.

Since Darwin Ecosystem did not meet the definition of a business under *IFRS 3 – Business Combinations*, the acquisition was accounted for as a purchase of Darwin’s assets. The consideration paid was determined as equity-settled share-based payments under IFRS 2, at the fair value of the equity of the Company issued to NELI on the date

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of closing as noted above. IFRS 2 requires the shares issued for the acquisition of the net assets of Darwin to be measured at the fair value of the net assets, unless the fair value cannot be reliably estimated.

The following represent the preliminary fair value allocation to identifiable net assets acquired at January 31, 2021. Remeasurement may be made up to the finalization of the purchase price allocation which cannot be later than December 18, 2021 (one year after the transaction per IFRS 3.45):

	Total
Developed technology (Patentable)	\$ 980,883
	\$ 980,883
Fair value of consideration paid:	
Common Shares	825,000
Warrants	155,883
	980,883

Delphi Crypto

On May 13, 2021, the Company acquired from Delphi Analytics proprietary developed algorithms and indices, known as Artificial Intelligence Confidence Indices (“AiCi”) that complement the Company’s existing software, CryptoHawk.ai for US\$300,000, payable in 12 monthly installments and the issuance of 200,000 in stock options to acquire shares of the Company.

Since the Delphi Crypto acquisition did not meet the definition of a business under *IFRS 3 – Business Combinations*, the acquisition was accounted for as a purchase of assets. The consideration paid in stock options was determined as equity-settled share-based payments under IFRS 2, at the fair value of the stock options using Black-Scholes option pricing model issued to Delphi Analytics on the date of closing as noted above. IFRS 2 requires the stock options issued for the acquisition of the net assets of Delphi to be measured at the fair value of the net assets, unless the fair value cannot be reliably estimated.

The following represent the preliminary fair value allocation to identifiable net assets acquired at July 31, 2021. Remeasurement may be made up to the finalization of the purchase price allocation which cannot be later than May 13, 2022 (one year after the transaction per IFRS 3.45):

	USD	CAD
Developed technology	\$	392,586
	\$	392,586
Fair value of consideration paid:		
Cash	\$ 300,000	364,500
200,000 Options		28,086
	\$	392,586

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5. 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 July 31, 2021, the Company was in compliance with its regulatory capital requirements. The Company is not subject to other externally imposed capital requirements.

The Company considers its capital to be shareholders' equity (deficiency), which is comprised of share capital, reserves, 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.

6. INVESTMENTS

	Publicly Traded Securities	Private Investments	Warrants	Total
Balance at January 31, 2021	\$ 10,025	\$ -	\$ 184,978	\$ 195,003
Additions		6,313,016		6,313,016
Revaluation	(5,462)	-	(81,490)	(86,952)
Balance at July 31, 2021	\$ 4,563	\$ 6,313,016	\$ 103,488	\$ 6,421,067

The Company is paid cash fees as well as in broker warrants in connection with certain services performed. The warrants received by the Company are measured at their fair value using Black-Scholes valuation consistent with the underlying reporting issuers.

At July 31, 2021, the Company also had equity investments with a fair value of \$4,563. This includes an unrealized mark to market decline on the common shares held of \$5,462 from the year ended January 31, 2021. At January 31, 2021 the equity investments had a fair value of \$10,025.

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On May 3, 2021, the Company completed its strategic investment of \$6,313,016 (US\$5,000,000) of Kirobo Ltd. (“Kirobo”) a cryptocurrency solutions developer. In exchange the Company received 22,104,332 shares at a share price of US\$0.2262 per common share for 15% of Kirobo. Tel Aviv based Kirobo is a blockchain technology company that provides state-of-the-art tools to crypto users and companies, helping them gain better control of their funds. The Company has determined that it does not hold significant influence or control of Kirobo as defined under IAS 28. The Company therefore has designated this investment as a portfolio investment and measures it at fair value through profit or loss (“FVTPL”) as defined under IFRS 9. For private companies like Kirobo, the Company determines fair value using valuation methodology such as discounted cash flow, loan to value, recent material transactions in the investment, and comparable company analysis. At July 31, 2021, the Company’s carrying value of its investment approximates its fair value.

The Company incurred acquisition costs of \$82,016 (US\$65,813) in connection with its investment in Kirobo.

For the six months ended July 31, 2021, the value of the unexercised share warrants was \$103,488, a decrease of \$81,490, since the year ended January 31, 2021. At January 31, 2021, the value of the unexercised share warrants was \$184,978, which includes an unrealized appreciation on the warrants of \$112,991.

7. DIGITAL CURRENCIES

The Company holds digital currencies as investments as follows:

	\$	Bitcoin	Ethereum	Kirobo Coins
Balance at January 31, 2021	\$ -	-	-	-
Digital currencies purchased	4,059,313	35.08	907.76	6,250,000
Traded for cash	(3,355,889)	(34.95)	(879.15)	-
Loss on sale of digital currencies	(5,178)	-	-	-
Revaluation of digital currencies	2,650,872	-	-	-
Balance at July 31, 2021	\$ 3,349,119	0.13	28.61	6,250,000

	\$	Bitcoin	Ethereum	Kirobo Coins
Current	\$ 97,406	0.13	28.61	-
Non-current	\$ 3,251,713	-	-	6,250,000

- i) During the six months ended July 31, 2021, the Company purchased 35.08 Bitcoin and 907.76 Ethereum and 6,250,000 in Kirobo coins valued at \$4,059,313. The Kirobo coins have resale restrictions that prevent the Company from selling any of them prior to December 15, 2021. All resale restrictions are removed within one year of the acquisition date of June 15, 2021.
- ii) During the six months ended July 31, 2021, the Company exchanged digital currencies for cash as follows: 34.95 Bitcoins and 879.15 Ethereum for with a cost of \$3,355,889. The loss on the sale of these digital currencies was \$5,178.
- iii) Digital currencies held are revalued each reporting period based on the fair market value of the price of the digital currencies on the reporting date. As at July 31, 2021, a revaluation gain of \$2,650,872 was recorded to other comprehensive income.

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8. INTANGIBLE ASSETS

	Development				Total
	Costs	DataNavee	Darwin	Delphi	
Balance at February 1, 2020	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition of developed technology (patentable)	-	-	980,883	-	980,883
Acquisition of intangible assets	-	3,051,394	-	-	3,051,394
Less: Accumulated amortization	-	(225,720)	(19,890)	-	(245,610)
Balance at January 31, 2021	-	2,825,674	960,993	-	3,786,667
Balance at February 1, 2021	-	2,825,674	960,993	-	3,786,667
Acquisition	-	-	-	392,586	392,586
Development costs	157,121	260,841	-	-	417,962
Less: Accumulated amortization	(3,535)	(305,140)	(98,088)	(19,629)	(406,763)
Balance at July 31, 2021	\$ 153,586	\$ 2,781,375	\$ 862,905	\$ 372,957	\$ 4,190,452

As at July 31, 2021, the Company had \$4,190,452 in intangible assets. This includes development costs capitalized in relation to development of DataNavee PPI application and the Company's CryptoHawk application of \$549,707 before amortization. and \$392,586 before amortization in connection with the developed technology acquired in the Delphi Crypto acquisition (see Note 4).

As at January 31, 2021, the Company had \$3,786,667 in intangible assets in connection with the DataNavee and Darwin acquisitions (see note 4).

The Company plans to amortize intangible assets over 5 years and recorded \$406,763 in amortization over the six months ended July 31, 2021.

9. RIGHT OF USE ASSET AND LEASE LIABILITY

During the six months ended July 31, 2021, the Company entered into a sub-lease of office space and adopted IFRS 16 which resulted in the recording of a right-of-use asset and associated lease liability. The lease liability was measured at the present value of lease payments and discounted using the Company's incremental borrowing rate of 10.5%. Below is a summary of the right-of-use asset and associated lease liability.

	Right-of-use asset	lease liability
Balance at February 1, 2021	\$ -	\$ -
Additions	114,120	98,332
Interest	-	15,788
Repayments	-	(4,732)
Amortization	(7,362)	-
Balance at July 31, 2021	\$ 106,758	\$ 109,388
Current	-	34,643
Non-current	106,758	74,745

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Undiscounted cash flows	
Less than one year	\$ 51,000
One to five years	68,000
Total undiscounted lease liability at July 31, 2021	\$ 119,000

The sub-lease expires December 31, 2023 with no option for renewal.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**Continuing Operations:**

	July 31, 2021	January 31, 2021
Accounts payable	\$ 50,587	\$ 125,203
Accrued Liabilities	22,000	55,701
	\$ 72,587	\$ 180,904

Liabilities held for sale:

	July 31, 2021	January 31, 2021
Accrued Liabilities	\$ -	\$ 7,500
	\$ -	\$ 7,500

Accounts payable of the Company principally comprise of amounts outstanding for trade purchases relating to regular business activities and amounts payable for financing activities. The usual credit period taken for purchases is between 30 to 90 days.

11. CONVERTIBLE DEBENTURE

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.

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.

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During November 2020, the convertible debentures were converted into Common Shares of the Company at \$0.05 per Unit. Each Unit comprised of one common share and warrant with an exercise price of \$0.05 for a period of two years.

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
Derivative liability component	149,670
Accretion expense	213,953
Conversion of debenture into Common Shares	(797,962)
Balance January 31, 2021	\$ -

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.

Derivative Liability

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.

Balance January 31, 2020	\$ 168,070
Derivative liability component derecognized on conversion	(149,670)
Change in fair value	157,465
Balance January 31, 2021	175,865
Change in fair value	(175,865)
Balance July 31, 2021	\$ -

The derivative liability of the September 2018 Debentures was valued at \$64,600 on the issuance date. As at January 31, 2021 and July 31, 2021, the derivative liability had a value of \$nil (January 31, 2021 - \$nil). The derivative liability was valued as at January 31, 2020, April 30, 2020, July 31, 2020 and October 31, 2020 using the Black-Scholes model with the following assumptions:

	January 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020
Annualized Volatility	194.00%	165.00%	165.00%	165.00%	165.00%
Risk free interest rate	1.43%	1.40%	1.40%	1.40%	1.40%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected life of the warrants	0.23 years	0.91 years	1.16 years	1.41 years	1.66 years

The derivative liability of the February 2019 Debentures was valued at \$498,666 on the issuance date. As at January 31, 2021 and July 31, 2021, the derivative liability had a value of \$nil (January 31, 2020 - \$nil). 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:

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	January 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020
Annualized Volatility	194.00%	165.00%	165.00%	165.00%	165.00%
Risk free interest rate	1.43%	1.40%	1.40%	1.40%	1.40%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected life of the warrants	0.23 years	1.27 years	1.53 years	1.78 years	2.02 years

The warrants issued in connection with the February 2019 Debentures (see note 10 (ii)), are also considered a derivative liability because they do not meet the “fixed for fixed” criteria. The warrants expired during the six months ended July 31, 2021 and therefore the value of the derivative warrant liability had a \$nil value at July 31, 2021 (January 31, 2020 - \$175,865).

12. SHARE CAPITAL

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

As at July 31, 2021, there are 268,265,013 (January 31, 2021 – 188,791,365) shares outstanding.

- (i) 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.
- (ii) 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 \$207,562 using the Black-Scholes pricing model using the following assumptions: risk free rate of return 0.27% and an annualized volatility 248%. 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 \$16,605.

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 \$362,075. 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 \$15,335.

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 \$66,262. 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 \$3,408.

Other issue costs totalled \$6,018.

- (iii) On September 18, 2020, the Company issued 55,000,000 common shares in connection with the acquisition of DataNavee (see note 4).
- (iv) On September 30, 2020, the Company issued 2,825,000 common shares to settle debt of \$141,250 to various non-related parties.
- (v) On November 13, 2020, the Company issued 5,000,00 common shares to acquire the Darwin assets (see note 4) at \$0.06 per common share.

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- (vi) From November 12 to January 27, 2021, the Company converted the convertible debentures (see note 9) by issuing 20,840,000 common shares and 10,345,000 warrants with an exercise price of \$0.05 per warrant with a two-year expiry.
- (vii) On February 26, 2021, the Company completed a non-brokered private placement offering for gross proceeds of \$5,103,299. The Company issued 14,580,855 Units at a price of \$0.35 per Unit. The Unit comprised of a common share and warrant. The warrant has an exercise price of \$0.365 per warrant for a period of two years. In connection with this offering the Company paid a finder fee of 8% of the gross proceeds and issued finder warrants of 8% of the units sold. The Company also issued a further 2,000,000 warrants to an arm's length consultant, as consideration of a capital market advisory fee. Each warrant is exercisable into one common share at a price of \$0.39 per share for a period of two years.
- (viii) On March 19, 2021, the Company completed a non-brokered private placement offering for gross proceeds of \$13,227,800. The Company issued 37,793,715 Units at a price of \$0.35 per Unit. The Unit comprised of a common share and warrant. The warrant has an exercise price of \$0.365 per warrant for a period of three and half years. In connection with this offering the Company paid a finder fee of 8% of the gross proceeds and issued finder warrants of 8% for a total of 3,023,497 warrants with an exercise price of \$0.4375 per warrant for a period of three and half years.
- (ix) During the six months ended July 31, 2021, the Company issued 796,078 in common shares to settle debt of \$260,000 to various non-related parties.

13. WARRANTS

Share purchase warrant transactions for the six months ended July 31, 2021, and the year ended January 31, 2021, are as follows:

	Number of Warrants	Weighted Average Exercise Price	Fair Value
Balance outstanding, February 1, 2020	7,911,250	\$ 0.110	\$ 56,400
Warrants expired(i)	(5,325,000)	(0.200)	-
Warrants issued(iii)	48,637,000	0.060	1,116,391
Warrants exercised	(12,050,000)	(0.050)	(238,941)
Balance outstanding, January 31, 2021	39,173,250	0.060	933,850
Warrants expired(ii)	(2,586,250)	(0.110)	-
Warrants issued(iii)	58,370,249	0.369	9,914,485
Warrants exercised	(20,603,000)	(0.050)	(497,576)
Balance outstanding, July 31, 2021	74,354,249	\$ 0.305	10,350,759

- i. Pursuant to the issuance of 10,650,000 units, 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.
- ii. On February 8, 2019, the Company issued to the holders of the February 2019 Debentures (Note 9) 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. These warrants expired February 8, 2021.

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- iii. See note 12 in connection with warrants issued in connection with private placements and convertible debentures.

The following table reflects the actual warrants outstanding and exercisable as of July 31, 2021:

	Six Months ended July 31, 2021	Fiscal January 31, 2021	Fiscal January 31, 2020
Average exercise price (\$)	\$0.35-0.44	\$0.05-0.15	\$ 0.11
Fair value of the award	\$ 9,912,863	\$ 1,332,107	\$ 56,400
Risk free interest rate	0.23%-0.53%	0.24%-0.26%	2.00%
Expected dividend yield	0.00%	0.00%	0.00%
Expected volatility	233%-258%	250%-259%	100%
Expected life of the warrants	2 years	2 years	2 years

14. STOCK OPTIONS AND RESTRICTED SHARE UNITS

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options and restricted share units 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.

	Stock Options	Weighted Average Exercise Price
Options outstanding, February 1, 2020	3,300,000	\$ 0.100
Issued	13,900,000	0.080
Exercised	(6,200,000)	(0.060)
Forfeited	(350,000)	(0.100)
Options outstanding, January 31, 2021	10,650,000	\$ 0.100
Issued	13,525,000	0.297
Exercised	(4,700,000)	(0.096)
Forfeited	(100,000)	(0.050)
Options outstanding, July 31, 2021	19,375,000	\$ 0.238
Exercisable options	13,516,664	\$ 0.241

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	Six months ended July 31, 2021	Fiscal January 31, 2021	Fiscal January 31, 2020
Number of options granted	13,525,000	13,900,000	3,300,000
Exercise price (CAD\$)	\$0.10 to \$0.39	\$0.05 to \$0.15	\$ 0.100
Risk free interest rate	0.20%-0.45%	0.22%-0.27%	1.36%
Expected dividend yield	0.00%	0.00%	0.00%
Expected volatility	190%-262%	232%-260%	232%
Expected life of the options	2 years	2 years	2 years

The following table reflects the actual stock options outstanding as of July 31, 2021:

Option price (CAD\$)	Options Outstanding	Weighted Average Exercise Price	Weighted Avg Remaining Contractual Life (Yrs.)	Options Exercisable
At \$0.05	1,750,000	\$ 0.050	0.52	1,750,000
At \$0.08	1,050,000	\$ 0.080	1.34	525,000
At \$0.10	650,000	\$ 0.100	0.52	650,000
At \$0.15	2,500,000	\$ 0.150	1.50	1,750,000
At \$0.17	250,000	\$ 0.170	1.87	-
At \$0.18	100,000	\$ 0.180	1.99	-
At \$0.24	4,300,000	\$ 0.240	1.52	1,675,000
At \$0.25	3,325,000	\$ 0.250	1.59	2,533,332
At \$0.28	200,000	\$ 0.280	1.59	133,332
At \$0.30	50,000	\$ 0.300	1.70	50,000
At \$0.31	200,000	\$ 0.310	1.53	200,000
At \$0.39	5,000,000	\$ 0.390	1.58	4,250,000

Vesting Schedule

Immediate	13,516,664
1 year	5,858,336

Restricted share units

During the six months ended July 31, 2021, the Company issued 2,400,000 RSU under the equity incentive plan. Each RSU entitles the recipients to receive one common share of the Company on vesting. The RSUs vested 50% on grant date and 50% after six months on November 1, 2021. All other terms and conditions of the RSUs are in accordance with the Company's equity incentive plan. The fair value of RSU were determined by the Company's share price on the date of the award.

Below is a summary of the status of the RSUs at July 31, 2021.

	RSUs	Weighted Average Exercise Price
RSUs outstanding, February 1, 2020, January 31, 2021	-	\$ -
Issued	2,400,000	0.230
Vested	(1,200,000)	(0.230)
Forfeited	-	-
RSUs outstanding, July 31, 2021	1,200,000	\$ 0.230

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The following table reflects the actual restricted share units outstanding as of July 31, 2021:

RSU price (CAD\$)	RSUs Outstanding	Weighted Average Exercise Price	Weighted Avg Remaining Contractual Life (Yrs.)	RSUs Exerciseable
At \$0.23	1,200,000	\$ 0.230	0.75	-

15. 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 six months ended July 31, 2021 and 2020:

- i) During the three and six months ended July 31, 2021, \$61,846 and \$121,067 respectively (three and six months ended July 31, 2020 - \$9,670 and \$35,327, respectively) was charged by the Chief Executive Officer for consulting fees.
- ii) During the three and six months ended July 31, 2021, \$37,675 and \$64,950 respectively (three and six months ended July 31, 2020 - \$9,000 and \$18,000 to CFO Advantage Inc., respectively) was charged by PME Consulting Cda Ltd., and CFO Advantage Inc., Company owned by the Chief Financial Officer of the Company current and former, respectively, for fractional CFO consulting fees.
- iii) During the three and six months ended July 31, 2021, a director was paid consulting fees of \$6,111 and \$14,055, respectively (three and six months ended July 31, 2020 - \$54,218 and \$70,716, respectively) for advisory work.
- iv) During the three and six months ended July 31, 2021, the Company awarded stock based compensation to directors and officers of \$121,537 and \$566,294, respectively (three and six months ended July 31, 2020 – nil).

16. COMMITMENTS

The Company has no commitments as at July 31, 2021.

17. SUBSEQUENT EVENTS

- i) On August 31, 2021, the Company announced it received confirmation from the Cayman Islands Monetary Authority (“CIMA”) to operate one or more segregated funds domiciled in the Cayman Islands under registration number 1900360 (the “Fund”). On September 1, 2021 the Company seed funded the Fund by subscribing to US\$1,000,000 of units in the Fund.

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18. DISCONTINUED OPERATIONS

On April 19, 2021, the Company announced that it had entered into an agreement with the registered salespeople working for the Company to, subject to regulatory approval, acquire 100% of the shares of the Company's subsidiary Digimax Capital Corp, including the roughly \$90,000 in cash reserves held by the Company. The Chief Executive Officer of the Company, Chris Carl, will not participate in this transaction and will not hold any shares post sale to registered salespeople. The new owners will issue a note secured by the shares of the Company for gross proceeds of \$150,000. The new owners will fund the purchase of the shares of the Company from 15% of gross revenues of the Company going forward. To allow for a smooth transition, Chris Carl will remain as the interim Chief Compliance Officer ("CCO") of Digimax Capital Corp. until he is replaced by a new CCO.

Below represents the assets and liabilities held for sale:

Net Assets of discontinued operations held for sale as at July 31, 2021

	July 31, 2021
Assets	
Cash	\$ 90,000
HST and other receivables	7,797
Total assets	\$ 97,797
Liabilities	
Accounts payable and accrued liabilities	-
Income tax payable	12,396
	12,396
Net assets of discontinued operations held for sale	\$ 85,401

Results of discontinued operations are as follows for the three and six months ended July 31, 2021 and comparative period ended July 31, 2020:

	Three months ended July 31,		Six months ended July 31,	
	2021	2020	2021	2020
Revenue				
Concession fees	\$ 89,292	\$ 67,725	\$ 180,953	\$ 89,750
Expenses				
Consulting fees	120,574	8,850	228,622	37,644
Professional fees	1,000	-	1,000	-
General and admin	120	835	1,341	835
Interest and bank charges	-	-	90	-
Net loss from discontinued operations	\$ (32,402)	\$ 58,040	\$ (50,100)	\$ 51,271

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Cash flows from discontinued operations are as follows for the six months ended July 31, 2021 and the comparative period ended July 31, 2020:

<i>For the six months ended July 31,</i>	2021	2020
Cash flows from Operating Activities		
Net Loss for the year	\$ (50,100)	\$ 51,271
Net change in non-cash working capital items:		
HST and other receivables	(8,035)	-
Accounts payable and accrued liabilities	(7,500)	(4,850)
Cash used in operating activities	(65,635)	46,421

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year presentation.