Fandifi Technology Corp

(Formerly Fandom Sports Media Corp.)

ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JANUARY 31, 2022 AND 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fandifi Technology Corp. (Formerly Fandom Sports Media Corp.),

Opinion

We have audited the consolidated financial statements of Fandifi Technology Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 31, 2022

MOORE

An independent firm
associated with Moore
Global Network Limited

Fandifi Technology Corp. (Formerly Fandom Sports Media Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	**January 31, 2022**	January 31, 2021
ASSETS			
Current assets			
Cash and equivalents		**$ 3,444,811**	**$ 735,324**
Commodity tax recoverable	4	**270,964**	**39,061**
Prepaid expenses	5	**296,683**	**18,271**
		4,012,458	**792,656**
Non-current assets			
Equipment	6	**27,550**	**-**
Intangible assets	7	**889,589**	**-**
		917,139	**-**
TOTAL ASSETS		**$ 4,929,597**	**$ 792,656**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8,11	**$ 140,102**	**$ 104,934**
		140,102	**104,934**
EQUITY			
Share capital	9	**21,163,922**	**14,348,117**
Share-based payment reserve	10	**5,203,573**	**4,140,933**
Deficit		**(21,578,000)**	**(17,801,328)**
TOTAL EQUITY		**4,789,495**	**687,722**
TOTAL LIABILITIES AND EQUITY		**$ 4,929,597**	**$ 792,656**

Nature and continuance of operations and going concern (Note 1)

Approved and authorized by the Board on May 31, 2022

Director *"David Vinokurov"* **Director** *"Tristan Brett"*

Fandifi Technology Corp. (Formerly Fandom Sports Media Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes		Year ended January 31, 2022		Year ended January 31, 2021
Expenses					
Amortization	6,7	**$**	**120,861**	$	-
Consulting and management fees	11		**993,550**		545,558
Platform development costs	11		**962,787**		233,864
Interest, bank charges, foreign exchange			**15,982**		6,159
Legal and audit			**96,716**		72,553
Marketing and promotion			**562,106**		351,017
Office and general			**104,448**		20,246
Share-based compensation	9,11		**778,298**		1,753,400
Technology costs			**13,632**		41,111
Transfer agent and filing fees			**40,514**		56,841
Travel			**96**		2,316
Software maintenance			**89,530**		-
		$	**3,778,520**	$	3,083,065
Other Items					
Gain on debt settlement	9		(1,848)		(32,269)
Loss and comprehensive loss for the year		**$**	**3,776,672**	$	3,050,796
Loss per share – basic and diluted		**$**	**(0.05)**	$	(0.09)
Weighted number of common shares outstanding			**75,937,683**		33,924,670

Fandifi Technology Corp. (Formerly Fandom Sports Media Corp.)
Consolidated Statements of Changes in Equity (Deficit)
(Expressed in Canadian dollars)

		SHARE CAPITAL				
	Notes	**Number of shares**	**Amount**	**Share-based payment reserve**	**Deficit**	**Total**
Balance at January 31, 2020		**16,167,734**	**$ 12,124,443**	**$ 2,382,233**	**$ (14,750,532)**	**$ (243,856)**
Shares issued for private placements	9	29,392,701	1,896,619	5,300	-	1,901,919
Shares issued for Exercise of warrants and options	9	4,160,666	292,780	-	-	292,780
Stock based compensation	9	-	-	1,753,400	-	1,753,400
Shares issued for debt settlement	9	113,181	34,275	-	-	34,275
Consolidation adjustment	9	1	-	-	-	-
Net and comprehensive loss		-	-	-	(3,050,796)	(3,050,796)
Balance at January 31, 2021		**49,834,283**	**$ 14,348,117**	**$ 4,140,933**	$ **(17,801,328)**	$ **687,722**
Shares issued for private placements	9	21,115,365	4,751,736	284,342	-	5,036,078
Shares issued for exercise of warrants and options	9	4,841,666	446,917	-	-	446,917
Shares issued for debt settlement	9	16,071	7,152	-	-	7,152
Shares issued for services	9	5,372,316	1,610,000	-	-	1,610,000
Shares issued for finders	9	925,432	-	-	-	-
Stock based compensation	9	-	-	778,298	-	778,298
Net and comprehensive loss		-	-	-	(3,776,672)	(3,776,672)
Balance at January 31, 2022		**82,105,133**	**$ 21,163,922**	**$ 5,203,573**	$ **(21,578,000)**	$ **4,789,495**

Fandom Sports Media Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

		Year ended January 31, 2022		Year ended January 31, 2021
Operating activities				
Loss for the period	**$**	**(3,776,672)**	$	(3,050,796)
Adjustments for non-cash items:				
Depreciation		**10,450**		-
Amortization		**110,411**		-
Stock-based compensation		**778,298**		1,753,400
Gain on debt settlement		**(1,848)**		(32,269)
Changes in non-cash working capital items:				
Commodity tax recoverable		**(231,903)**		(31,483)
Prepaid expenses		**(278,412)**		(10,191)
Accounts payables and accrued liabilities		**654,168**		106,670
Net cash used in operating activities		**(2,735,508)**		(1,264,669)
Investing activities				
Purchase of computer hardware		(38,000)		-
Net cash used in investing activities		**(38,000)**		-
Financing activities				
Proceeds on issuances of common shares		**5,482,995**		1,999,453
Net cash flows from financing activities		**5,482,995**		1,999,453
Increase in cash and cash equivalents		**2,709,487**		734,784
Cash and cash equivalents, beginning		**735,324**		540
Cash and cash equivalents, ending	**$**	**3,444,811**	$	735,324
Non-cash investing and financing transactions:				
Common shares issued for services and accounts payable	**$**	**1,007,152**	$	229,521

1. Nature and continuance of operations and going concern

Fandifi Technology Corp. (the "Company") is a publicly listed company incorporated in Canada under the British Columbia Corporations Act on May 12, 2006. The Company's primary business is the development and monetization of the Company's all ages prediction and wagering Esports Entertainment Platform for engaging fans on mobile applications. On March 28, 2022 Fandom Sports Media Corp., officially changed its name to Fandifi Technology Corp.

The Company's registered and records office is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, B.C., Canada, V6C 3E8. The Company's head office is located at Suite 830 – 1100 Melville Street, Vancouver BC V6E 3A4.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. As at January 31, 2022, the Company had accumulated losses totaling $21,578,000 (January 31, 2021 - $17,801,328) and was not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from the development and monetization of the Company's Entertainment Platform for sports and esports superfan engagement and the related mobile applications and its ability to attain profitable licensing and advertising-based operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations, all of which are uncertain. These factors indicate the existence of material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from related parties, exercise of stock options, exercise of warrants, and/or from funds generated from private placements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. These consolidated financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Statement of compliance and basis of presentation

The consolidated financial statements of the Company for the year ended January 31, 2022 were authorized for issue by the Board of Directors ("Board") on May 31, 2022.

Statement of compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. The presentation and functional currency is the Canadian dollar unless otherwise noted.

2. Statement of compliance and basis of presentation

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, as follows:

		Percentage owned	
	Jurisdiction of Incorporation	January 31, 2022	January 31, 2021
Bridarias Limited	Cyprus	100%	-
Fandom Esports Curacao NV	Curacao	100%	-
Fandom Sports OY *	Finland	-	dissolved (*)

* Fandom Sports OY was dissolved during the year ended January 31, 2021.

Inter-company transactions and balances are eliminated upon consolidation.

3. Significant accounting policies

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

- Stock-based compensation which is subject to estimation related to the value of the award at the date of grant using pricing models such as the Black-Scholes Option Pricing Model;
- Recoverability of amounts capitalized as intangible assets;
- The useful life of the intangible asset;
- The measurement of income taxes payable and deferred income tax assets and liabilities; and
- The Company's ability to continue as a going concern and whether there are events or condition that may give rise to significant uncertainty (Note 1).

Foreign exchange

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are presented in Canadian dollars, which is the Company and its subsidiaries' functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the period end exchange rate, while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of loss and comprehensive loss.

3. Significant accounting policies (continued)

Intangible assets

Intangible assets consist of purchased licenses acquired from arms-length parties.

The amount initially recognized for internally- generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the following recognition criteria: i) the technical feasibility of completing the intangible assets so that it will be available-for-use or sale; ii) the Company's intension to complete the intangible asset and use or sell it; iii) the Company's ability to use or sell the intangible 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 development and to use or sell the intangible asset; and vi) the Company's ability to measure reliably the expenditure attributable to the intangible asset during its development; otherwise the costs are expensed as incurred. Subsequent to initial recognition, the Company reports internally-generated intangible assets at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired through asset acquisition or business combinations are initially recognized at fair value based on an allocation of the purchase price.

Intangible assets available for use are amortized on a straight-line basis over their estimated useful life of 5 years. The amortization method, estimated useful life and residual values are reviewed annually or more frequently if required, and are adjusted as appropriate. Intangible assets under development which are not available for use are not amortized, but are evaluated for impairment annually.

Valuation of Equity Units issued in Private Placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

Share-based compensation

Stock-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Stock-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

3. Significant accounting policies (continued)

Financial instruments *(continued)*

(i) Classification (continued)

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	**Classification**
Cash and equivalents	FVTPL
Accounts payable	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Loss (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

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

3. Significant accounting policies (continued)

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of assets

The carrying amount of the Company's long-lived assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are included in the determination of net loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the Canadian taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. Significant accounting policies (continued)

Income taxes *(continued)*

Deferred tax:

Deferred tax is provided using the statement of financial position method on temporary differences at the Reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Equipment

Equipment is recorded at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are charged to the consolidated statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

Class of equipment	Amortization rate
Computer equipment	30% declining balance

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Dilutive earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. In periods where a net loss is incurred, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti- dilutive and basic and diluted loss per common share is the same. In a profit year, under the treasury stock method, the weighted average number of common shares outstanding is used for the calculation of diluted earnings per share which assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average price during the year.

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

Leases

IFRS 16 Leases

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

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

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life. As at January 31, 2022, the Company has no leases.

New Accounting Standards

Other new accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. Commodity tax Recoverable

	January 31, 2022	January 31, 2021
Commodity tax Recoverable	$ 270,964	$ 39,061

5. Prepaid expenses

	January 31, 2022	January 31, 2021
Other prepaids	$ 11,213	$ 18,271
Maintenance license fee	285,470	-
	$ 296,683	$ 18,271

(Expressed in Canadian dollars)

6. Equipment

		Computer equipment
Cost:		
At January 31, 2021	$	-
Additions		38,000
At January 31, 2022	**$**	**38,000**
Accumulated amortization:		
At January 31, 2021	$	-
Amortization for the year		10,450
At January 31, 2022	**$**	**10,450**
Net book value:		
At January 31, 2021	**$**	**-**
At January 31, 2022	**$**	**27,550**

7. Intangible assets

		Licenses
Cost:		
At January 31, 2021	$	-
Additions – Exclusive Software License acquired via share issuance May 13, 2021		1,000,000
At January 31, 2022		**1,000,000**
Accumulated Amortization:		
At January 31, 2020	$	-
Amortization for the year		110,411
At January 31, 2022	**$**	**110,411**
Net Book Value:		
At January 31, 2021		**-**
At January 31, 2022	**$**	**889,589**

8. Accounts payable and accrued liabilities

		January 31, 2022		January 31, 2021
Accounts payable (Note 11)	$	124,102	$	76,546
Accrued liabilities		16,000		28,388
	$	140,102	$	104,934

9. Share capital

Consolidation

On February 6, 2020, the Company consolidated its issued and outstanding share capital on the basis of one post consolidated common share for every ten pre-consolidated common shares. No fractional shares were issued, as all fractional share were rounded to the nearest whole number. All share and per share amounts in these consolidated financial statements are presented on a post-consolidation basis.

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

Issued and outstanding on January 31, 2022: 82,105,133 (January 31, 2021: 49,834,283)

Changes in Share Capital

During the year ended January 31, 2022

On May 25, 2021, the Company settled $135,000 in debt by issuing 450,000 shares at a fair value of $0.30 per share.

On May 20, 2021, the Company settled $1,375,000 in debt by issuing 4,583,333 shares at a fair value of $0.30 per share.

On April 27, 2021, the Company settled $100,000 in debt by issuing 338,983 shares at a fair value of $0.295 per share.

In connection with the March 31, 2021 and April 7, 2021 tranches below, the Company paid a cash finder's fee of $31,609, issued 925,432 finder units, consisting of 1 common share and one share purchase warrant per unit and 1,057,137 broker warrants, to arm's-length parties. Each broker warrant is exercisable into 1 common share for a period up to 2 years at a price of $0.36 per share. The Company determined the fair value of the 1,057,137 broker warrants to be $284,342 using the Black-Scholes pricing model with the following inputs: expected life – 2 years, annualized volatility – 236%, risk-free interest rate – 0.243%. The fair value of the 925,432 finder units was determined to be $222,104.

On April 7, 2021, the Company closed the final tranche of a private placement financing (see paragraph below), raising gross proceeds of $739,888. The Company issued a total of 3,082,867 units at $0.24 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at a price of $0.36 per common share on or before April 7, 2023.

On March 31, 2021, the Company closed the first tranche of a private placement financing, raising gross proceeds of $4,327,800. The Company issued a total of 18,032,498 units at $0.24 per unit. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at a price of $0.36 per common share on or before March 31, 2023.

On March 25, 2021, the Company settled $9,000 in debt by issuing 16,071 shares at a fair value of $0.56 per share. The Company recorded a gain on settlement of $1,848 in relation to this settlement.

The Company issued 4,741,666 common shares pursuant to the exercise of 4,741,666 warrants at an average price of $0.08 per warrant share for proceeds of $396,917.

The Company issued 100,000 common shares pursuant to the exercise of 100,000 options at an average price of $0.50 per option share for proceeds of $50,000.

The weighted average share price during the year was $0.33, with respect to the exercise of the options and warrants.

9. Share capital (continued)

Changes in Share Capital *(continued)*

During the year ended January 31, 2021

On December 18, 2020, the Company closed a private placement financing, raising total gross proceeds of $780,724. The Company issued a total of 13,012,064 units at a price of $0.06 per unit. Each unit consists of one common share and one common share purchase warrant, where each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 per common share on or before December 18, 2022.

On November 4, 2020, the Company settled $9,000 in debt by issuing a total of 45,000 shares at a fair value of $0.20 per share. The Company recorded gain on debt settlement of $4,725.

On July 30, 2020, the Company closed a private placement financing, raising total gross proceeds of $400,450. The Company allotted and issued 1,334,832 units at a price of $0.30 per unit. Each unit comprises one common share and one transferable share purchase warrant that entitles the holder to purchase one additional common share for a period of five years at a price of $0.50 per share. The warrants are subject to an accelerated expiry in circumstances where, at any time commencing four months from the date the warrants are issued, if, for the preceding five consecutive trading days, the daily volume-weighted average trading price of the company's shares is greater than $0.75, in which case the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and in such case the warrants will expire on the 30th calendar day after the date of such notice. In addition, the Company paid a cash finder's fee of $4,000 and issued 32,160 broker warrants to arm's-length parties with a fair value of $5,300. Each broker warrant is exercisable into one common share for a period of up to three years at a price of $0.50 per share.

On July 20, 2020, the Company settled $30,000 in debt by issuing a total of 68,181 shares at a fair value of $0.44 per share. No gain or loss on settlement was recorded.

On April 20, 2020, the Company closed its private placement financing, raising total gross proceeds of $752,290. The Company issued a total of 10,590,000 units at a price of $0.05 per unit. Each unit consists of one common share and one-half of one common share purchase warrant, where each full warrant entitles the holder to purchase one additional common share of the Company at a price of $0.07 per common share on or before April 19, 2021. Gross proceeds of the offering included settling an aggregate of $222,790 in outstanding debt with the issuance of 4,455,805 common shares and 1,364,000 warrants also exercisable at $0.07 per common share on or before April 19, 2021. 4,455,805 common shares were fair valued at $195,071 and the fair value of the 1,364,000 warrants was determined to be $nil. The Company recorded gain on settlement of $27,544.

The Company issued 4,084,000 common shares pursuant to the exercise of 4,084,000 warrants at $0.07 per warrant share for proceeds of $285,880.

The Company issued 76,666 common shares pursuant to the exercise of 76,666 options at $0.09 per option share for proceeds of $6,900.

Stock options

During the year ended January 31, 2022

On September 16, the Company granted 1,200,000 stock option to officers, directors and consultants of the Company. 900,000 of the options are exercisable at $0.36 per share and 300,000 granted to the CFO are exercisable at $0.17 per share. All options are for a period of 5 years. 100% of the options vested immediately.

On April 15, 2021, the Company granted 200,000 stock options to consultants of the Company. The options are exercisable at $0.26 per share for a period of 5 years. 100% of the options vested immediately.

9. Share capital (continued)

Stock options *(continued)*

On March 31, 2021, the Company granted 1,400,000 stock options to officers, advisors and consultants of the Company. The options are exercisable at $0.37 per share for a period of 5 years. 100% of the options vested immediately.

On March 19, 2021, the Company granted 25,000 stock options to consultants of the Company. The options are exercisable at $0.50 per share for a period of 5 years. 100% of the options vested immediately.

During the year ended January 31, 2022, an aggregate of 2,116,499 stock options were forfeited due to the termination of consulting contracts.

During the year ended January 31, 2021

On December 23, 2020, the Company granted 2,640,000 stock options to consultants of the Company. The options are exercisable at $0.175 per share for a period of 5 years. 100% of the options vested immediately.

On November 17, 2020, the Company granted 1,600,000 stock options to a director of the Company. The options are exercisable at $0.09 per share for a period of 5 years. 100% of the options vested immediately.

On August 17, 2020, the Company granted 200,000 stock options to directors and consultants of the Company. The options are exercisable at $0.24 per share for a period of 5 years. 100% of the options vested immediately.

On July 30, 2020, the Company granted 449,833 stock options to directors, officers and consultants of the Company. The options are exercisable at $0.35 per share for a period of 5 years. 100% of the options vested immediately.

On July 23, 2020, the Company granted 200,000 stock options to consultants of the Company. The options are exercisable at $0.37 per share for a period of 5 years. 100% of the options vested immediately.

On June 17, 2020, the Company granted 450,000 stock options to a director of the Company. The options are exercisable at $0.325 per share for a period of 5 years. 100% of the options vested immediately.

On June 8, 2020, the Company granted 590,000 stock options to directors and consultants of the Company. The options are exercisable at $0.325 per share for a period of 5 years. 100% of the options vested immediately.

On June 4, 2020, the Company granted 200,000 stock options to a consultant of the Company. The options are exercisable at $0.32 per share for a period of 5 years. 100% of the options vested immediately.

On May 19, 2020, the Company granted 200,000 stock options to a consultant of the Company. The options are exercisable at $0.32 per share for a period of 5 years. 50% of the options vested immediately and 50% vest after six months.

On May 12, 2020, the Company granted 200,000 stock options to a consultant of the Company. The options are exercisable at $0.32 per share for a period of 5 years. 50% of the options vested immediately and 50% vest after six months.

On May 6, 2020, the Company granted 400,000 stock options to a director of the Company. The options are exercisable at $0.32 per share for a period of 5 years. 50% of the options vested immediately and 50% vest after six months.

(Expressed in Canadian dollars)

9. Share capital (continued)

***Stock options** (continued)*

On May 2, 2020, the Company granted 800,000 stock options to a director and a consultant of the Company. The options are exercisable at $0.32 per share for a period of 5 years. 50% of the options vested immediately and 50% vest after six months.

During the year ended January 31, 2021, an aggregate of 1,285,500 stock options were forfeited due to the termination of consulting contracts.

The continuity schedule of stock options is as follows:

	Number of stock options	Weighted average exercise price
Balance, January 31, 2020	1,285,500	$1.03
Granted	7,929,833	$0.23
Exercised	(76,666)	$0.09
Cancelled	(1,285,500)	$1.03
Balance, January 31, 2021	7,853,167	$0.23
Granted	2,825,000	$0.34
Reinstated	100,000	$0.50
Exercised	(100,000)	$0.50
Cancelled	(2,116,499)	$0.32
Balance, January 31, 2022	**8,561,668**	$0.24

A summary of the Company's outstanding and exercisable stock options as at January 31, 2022 is as follows:

Weighted average exercise price	Remaining contractual life (years)	Number of options Outstanding	Number of options exercisable	Expiry Dates
$0.32	3.25	600,000	600,000	May 1, 2025
$0.32	3.26	400,000	400,000	May 5, 2025
$0.325	3.36	390,000	390,000	June 8, 2025
$0.35	3.50	183,334	183,334	July 30, 2025
$0.09	3.80	1,523,334	1,523,334	November 17, 2025
$0.19	3.90	2,640,000	2,640,000	December 23, 2025
$0.50	4.13	25,000	25,000	March 19, 2026
$0.37	4.16	1,400,000	1,400,000	March 31, 2026
$0.26	4.21	200,000	200,000	April 15, 2026
$0.17	4.63	300,000	300,000	Sept. 16, 2026
$0.36	4.63	900,000	900,000	Sept. 16, 2026
$0.24	**3.92**	**8,561,668**	**8,561,668**	

The Company recognized $778,298 (2021: $1,753,400) in share-based compensation for the year ended January 31, 2022. The weighted average fair value per option granted during the year is $0.28 (2021: $0.22).

(Expressed in Canadian dollars)

9. Share capital (continued)

Stock options *(continued)*

The fair value of stock options granted was determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Year ended January 31, 2022	**Year ended January 31, 2021**
Expected life of options	5 years	5 years
Annualized volatility	183% - 187%	180% - 187%
Risk-free interest rate	0.868% – 1.634%	0.323% – 0.481%
Dividend rate	0%	0%

Share purchase warrants

During the year ended January 31, 2022:

On August 23, 2021, 513,400 warrants with an exercise price of $1.00 expired unexercised.

On April 7, 2021, in connection with a private placement, the Company issued a total of 5,065,436 warrants entitling the holder to purchase one common share of the company at a price of $0.36 per common share on or before April 7, 2023.

On March 31, 2021, in connection with a private placement, the Company issued a total of 18,032,498 warrants entitling the holder to purchase one common share of the company at a price of $0.36 per common share on or before March 31, 2023.

During the year ended January 31, 2021:

On December 18, 2020, in connection with a private placement, the Company issued a total of 13,012,064 warrants entitling the holder to purchase one common share of the company at a price of $0.10 per common share on or before December 18, 2022.

On July 30, 2020, the Company issued 1,334,832 warrants in connection with a private placement. Each warrant entitles the holder to purchase one common share for a period of five years at a price of $0.50 per share. The warrants are subject to an accelerated expiry in circumstances where, at any time commencing four months from the date the warrants are issued, if, for the preceding five consecutive trading days, the daily volume-weighted average trading price of the company's shares is greater than $0.75, in which case the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and in such case the warrants will expire on the 30th calendar day after the date of such notice. In addition, the Company issued 32,160 broker warrants (with a fair value of $5,300) exercisable into one common share for a period of up to three years at a price of $0.50 per share.

On July 27, 2020, the Company issued 14,667 warrants to a consultant entitling the holder to purchase one common share of the company at a price of $0.30 for a period of three years.

On April 20, 2020, the Company issued 6,659,000 warrants in connection with the closing of a private placement. An aggregate of 6,659,000 warrants were issued including 1,364,000 warrants (the “Settlement Warrants”) issued with the settlement of outstanding debt. Each warrant entitles the holder to purchase one common share at an exercise price of $0.07 until April 20, 2021.

During the year ended January 31, 2021, an aggregate of 2,421,447 warrants with an exercise price $2.00 expired unexercised.

(Expressed in Canadian dollars)

9. Share capital (continued)

***Share purchase warrants** (continued)*

The continuity schedule of share purchase warrants is as follows:

	Number of share purchase warrants
Balance, January 31, 2020	2,934,847
Granted	21,052,723
Exercised	(4,084,000)
Expired	(2,421,447)
Balance, January 31, 2021	17,482,123
Granted	23,097,934
Exercised	(4,741,666)
Expired	(513,400)
Balance, January 31, 2022	**35,324,991**

As of January 31, 2022, the continuity schedule of warrants is as follows:

Weighted average exercise price	Remaining contractual life (years)	Number of warrants outstanding	Expiry Dates
$0.30	1.48	14,667	July 27, 2023
$0.50	3.50	1,334,832	July 30, 2025
$0.50	1.49	32,160	July 30, 2023
$0.10	0.88	10,845,398	December 18, 2022
$0.36	1.16	18,032,498	March 31, 2023
$0.36	1.18	5,065,436	April 7, 2023
$0.29	**1.17**	**35,324,991**	

The fair value of share purchase warrants issued was determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Year ended January 31, 2022	Year ended January 31, 2021
Expected life of options	2 years	1-3 years
Annualized volatility	236%	193% - 274%
Risk-free interest rate	0.243%	0.26% – 0.35%
Dividend rate	0%	0%

10. Share-based payment reserve

The share-based payment reserve records items recognized as share-based compensation expense and the fair value initially recorded for warrants and options issued until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

11. Related party balances and transactions

Key management compensation

During the year ended January 31, 2022, the Company incurred $652,778 (2021: $306,700) in consulting fees and platform development costs to key management of the Company and incurred share-based compensation costs (from the grant of stock options) totaling $585,811 (2021: $952,279) to key management of the Company.

As at January 31, 2022, $nil (January 31, 2021, $16,431) was due to directors and senior management or companies controlled by directors and senior management, and included in accounts payable.

12. Segmented information

Operating segments

The Company operated in three reportable operating segments: Canada, Curacao, and Cyprus. At January 31, 2022 and January 31, 2021, all assets are located in Canada.

13. Financial risk management and capital management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of commodity tax recoverable and accounts payable approximate their fair value because of the short-term nature of these instruments.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company manages credit risk in respect of cash by placing cash at major financial institutions. The Company considers credit risk related to cash as low risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at January 31, 2022, the Company had current liabilities of $140,102 and current assets of $4,012,458. To improve liquidity, the Company is continually investigating financing opportunities. As disclosed in Note 1, there can be no assurance these efforts will be successful in the future. All the Company’s financial liabilities are subject to normal trade terms. Liquidity risk is assessed as high.

(Expressed in Canadian dollars)

13. Financial risk management and capital management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. Market risk is assessed low.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low.

Capital management

The Company identifies capital as items included in shareholders' equity. The Company raises capital through private and public share offerings and related party loans and advances. Capital is managed in a manner consistent with the risk criteria and policies provided by the board of directors and followed by management. All sources of financing and major expenditures are analyzed by management and approved by the board of directors. The Company's primary objectives when managing capital is to safeguard and maintain the Company's financial resources for continued operations and to fund expenditure programs to further advance its assets. The Company is meeting its objective of managing capital through detailed review and due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to maintain sufficient resources. The Company is able to scale its expenditure programs and the use of capital to address market conditions by reducing expenditure and the scope of operations during periods of economic downturn.

There were no changes in the Company's approach to capital management during the year ended January 31, 2021 or the year ended January 31, 2022, and the Company is not subject to any externally imposed capital requirements.

14. Income Taxes

The provision for income taxes recorded in the consolidated financial statements differs from the amount which would be obtained by applying the combined federal and provincial statutory income tax rates of 27% to net loss as follows:

		Years ended January 31, 2022		2021
Loss for the year	$	(3,776,672)	$	(3,050,796)
		27%		27%
Expected income tax recovery		(1,019,701)		(823,715)
Non-deductible items and others		220,525		811,735
Temporary income tax differences not recognized		799,176		11,980
Total tax recovery	**$**	**-**	**$**	**-**

(Expressed in Canadian dollars)

14. Income Taxes (continued)

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

	January 31, 2022	January 31 2021
Non-capital losses	$ 4,079,970	$ 3,375,460
Allowable capital losses	16,194	16,194
Equipment	136,626	103,892
Exploration and evaluation assets	166,135	166,135
Finance costs	7,692	8,802
Intangible	622,058	559,016
Valuation allowance	(5,028,675)	(4,229,499)
	$ -	**$ -**

The significant components of the Company's temporary differences and unused tax losses are as follows:

	Amount	Expiry
Non-capital losses	15,111,002	2026-2040
Allowable capital losses	59,978	No expiry
Capital assets	2,809,940	No expiry
Exploration and evaluation assets	615,315	No expiry
Finance costs	28,487	2025