

TRACKER VENTURES CORP.
(formerly Trackloop Analytics Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three months ended November 30, 2019 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

TRACKER VENTURES CORP.
(formerly Trackloop Analytics Corp.)
Condensed Interim Consolidated Statements of Financial Position
November 30, 2019 and August 31, 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	November 30, 2019	August 31, 2019
	\$	\$
Assets		
Current		
Cash	51,208	63
GST receivable	1,461	102,900
Prepaid expenses and deposit	1,121	3,864
Discontinued operations (Note 9)	-	50,806
Total Assets	53,790	157,633
Liabilities		
Current		
Accounts payables and accrued liabilities (Note 5)	68,424	88,552
Due to related party (Note 5)	-	6,000
Loan payable (Note 9)	37,500	-
Discontinued operations (Note 9)	-	233,745
	105,924	328,297
Shareholders' deficit		
Share capital (Note 6)	7,094,824	7,094,824
Subscription receivable	(30,000)	(30,000)
Contributed surplus	1,095,220	1,095,220
Deficit	(8,212,178)	(8,330,708)
	(52,134)	(170,664)
Total Liabilities and Shareholders' deficit	53,790	157,633

Nature of Operations and Going Concern (Note 1)
Subsequent Event (Note 9)

APPROVED ON BEHALF OF THE BOARD:

“Geoff Balderson” Director

“Zayn Kaylan” Director

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

TRACKER VENTURES CORP.

(formerly Trackloop Analytics Corp.)

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the three months ended November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended November 30,	
	2019	2018
	\$	\$
EXPENSES		
Advertising and investor relations	-	23,556
Bank charges and interest	328	114
Consulting fees (Note 5)	12,000	268,744
Depreciation	-	142
Listing and filing	4,908	15,735
Office and miscellaneous	474	15,133
Professional fees	9,200	27,304
Promotion and travel	-	1,732
Rent	-	4,500
Share-based payments (Note 6)	-	152,500
	26,910	509,460
Loss before other items	(26,910)	(509,460)
OTHER ITEM:		
Finders fees (Note 9)	-	(96,000)
	-	(96,000)
Net loss and comprehensive loss from continuing operations	(26,910)	(605,460)
Net income (loss) and comprehensive income (loss) from discontinued operations (Note 9)	145,440	(84,812)
Total income (loss) and comprehensive income (loss)	118,530	(690,272)
Basic and diluted loss per share – continuing operations	(0.01)	(0.22)
Basic and diluted income per share – discontinued operations	0.05	(0.03)
Basic and diluted income (loss) per share – total	0.04	(0.25)
Weighted average number of common shares outstanding – basic and diluted	3,212,632	2,715,188

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

TRACKER VENTURES CORP.
(fomerly Trackloop Analytics Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended November 30, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended November 30	
	2019	2018
	\$	\$
Cash flows used in operating activities		
Net loss for the period from continuing operations	(26,910)	(605,460)
Amounts not affecting cash		
Depreciation	-	142
Finders fee	-	96,000
Share-based payments	-	152,500
	(26,910)	(356,818)
Changes in non-cash working capital items		
GST receivable	101,440	(25,731)
Prepaid expenses and deposits	2,743	(216,880)
Accounts payable and accrued liabilities	(20,128)	(222,914)
	57,145	(822,343)
Cash flows from financing activities		
Loan payable	37,500	-
Repayment to related party	(6,000)	-
Cash received from share issuance	-	605,000
Share issue cost	-	(15,600)
	31,500	589,400
Cash flows from investing activities		
Cash acquired on acquisition of Chaintrack (Note 9)	-	126,388
Equipment	-	(1,600)
	-	124,788
Net cash used in discontinued operations (Note 9)	(37,500)	(83,459)
Change in cash in during the period	51,145	(191,614)
Cash, beginning of period	63	810,124
Cash, end of period	51,208	618,510
Supplemental cash flow information		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
Non-cash transactions		
Common shares and finders shares issued for acquisition of	-	938,000
Finders warrants issued for acquisition of Chaintrack	-	65,000

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

TRACKER VENTURES CORP.

(formerly Trackloop Analytics Corp. and Blockchain Solutions Inc.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

For the three months ended November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares Issued	Share Capital	Share Subscription Receivable	Contributed Surplus	Deficit	Total Shareholders' Equity (Deficit)
	#	\$	\$	\$	\$	\$
Balance at August 31, 2018	2,025,132	5,709,844	(37,500)	717,800	(5,985,690)	404,454
Cash						
Shares issued on private placement	310,000	496,000	(15,000)	124,000	-	605,000
Share issue cost	-	(15,600)	-	-	-	(15,600)
Agent's warrants	-	(10,920)	-	10,920	-	-
Shares issued pursuant to share exchange agreement	825,000	842,000	-	-	-	842,000
Units issued as finders fees	60,000	96,000	-	-	-	96,000
Share-based payments	-	-	-	152,500	-	152,500
Net loss and comprehensive loss for the period	-	-	-	-	(690,272)	(690,272)
Balance at November 30, 2018	3,212,632	7,094,824	(52,500)	1,005,220	(6,675,962)	1,394,082
Balance at August 31, 2019	3,212,632	7,094,824	(30,000)	1,095,220	(8,330,708)	(170,664)
Net income and comprehensive income for the period	-	-	-	-	118,530	118,530
Balance at November 30, 2019	3,212,632	7,094,824	(30,000)	1,095,220	(8,212,178)	(52,134)

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

TRACKER VENTURES CORP.

(formerly Trackloop Analytics Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

Blackchain Solutions Inc. (the “Company”) was incorporated pursuant to the Business Corporations Act (British Columbia) on July 10, 2007. On September 21, 2018, the Company changed its name to Trackloop Analytics Corp. The Company was a software sales and consulting company engaged in the business of providing software solutions and consulting services to financial institutions to meet their regulatory obligations. On September 26, 2018, the Company acquired Chaintrack Technologies Inc. (“Chaintrack”) and on September 24, 2019, the Company disposed Chaintrack.

On September 25, 2018, the Company completed a share consolidation on the basis of 2 old shares for 1 new share. In addition, on October 25, 2019, the Company completed another share consolidation on the basis of 20 old shares for 1 new share. These share consolidations have been retroactively presented in these consolidated financial statements and all share amounts, including per share amounts, reflect the share consolidations. The Company also changed its name to Tracker Ventures Corp.

The head office, address and records office of the Company are located at Suite 1000 – 409 Granville Street, Vancouver, BC, Canada, V6C 1T2.

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 operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At November 30, 2019, the Company has not achieved profitable operations, has accumulated losses of \$8,212,178 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its operations, its ability to attain profitable operations to generate funds, and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

These condensed interim consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 28, 2020.

TRACKER VENTURES CORP.

(formerly Trackloop Analytics Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

2. BASIS OF PRESENTATION (Continued)

Basis of Measurement

The preparation of condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgements made by management in the application of IFRS.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at August 31, 2019. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2019.

The following standard adopted effective September 1, 2019:

IFRS 16 Leases - In June 2016, the IASB issued IFRS 16, *Leases* which establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or financing leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The adoption of this standard did not have an impact on the Company's condensed interim financial statements.

4. USE OF ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

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Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited – Prepared by Management)

4. USE OF ESTIMATES AND JUDGMENTS (Continued)**Critical judgments in applying accounting policies:**

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Going concern

The assessment of the Company's ability to continue as a going concern require significant judgement. See Note 1.

5. RELATED PARTY TRANSACTIONS AND BALANCESKey Management Compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

	For the three months ended November 30,	
	2019	2018
	\$	\$
<u>Consulting fees</u>		
Zayn Kaylan, CFO	-	30,000
Harmony corporate Services Ltd. controlled by Geoff Balderson	12,000	11,000
	12,000	41,000

The following summarizes the balances with related parties

	November 30,	August 31,
	2019	2019
	\$	\$
Balances		
Due to related party		
Current director	-	6,000
	-	6,000
Accounts payable		
Zayn Kaylan – CFO and CTO	10,500	10,500
Harmony Corporate services Ltd. – company controlled by Geoff Balderson, CEO	3,870	20,433
	14,370	30,933
	14,370	36,933

The amounts due to related parties are unsecured, non-interest bearing, with specific terms of repayment.

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Notes to the Condensed Interim Consolidated Financial Statements

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6. SHARE CAPITAL

a) Authorized:

An unlimited number of common shares without par value. An unlimited number of preferred shares without par value.

On September 25, 2018, the Company completed another share consolidation on the basis of 2 old shares for 1 new share.

On October 25, 2019, the Company completed a share consolidation on the basis of 20 old shares for 1 new share. These share consolidations have been retroactively presented in these consolidated financial statements and all share amounts, including per share amounts, reflect the share consolidations.

b) Shares Issued:

There were no shares issued during the three months ended November 30, 2019.

For the year ended August 31, 2019:

On November 13, 2018, the Company completed a non-brokered private placement of 310,000 (6,200,000 pre-consolidated units) at a price of \$2.00 (\$0.10 per pre-consolidated) unit for gross proceeds of \$620,000. Each unit consists of one common share and one common share purchase warrant. Based on the market price of the common shares on the date of announcement, the Company allocated \$124,000 to the fair value of the warrants. Each warrant is exercisable at a price of \$3.00 (\$0.15 pre-consolidated) per share for a term of two years. The Company paid a cash finders' fee of \$15,600 and issued 7,800 (156,000 pre-consolidated) agent's warrants exercisable at a price of \$3.00 (\$0.15 pre-consolidated) until November 13, 2020. The finders' warrants were fair valued at \$10,920 using the Black-Scholes model based on the following assumptions: share price on issuance date - \$2.00 (\$0.10 pre-consolidated); risk free rate – 2.21%; expected dividend – nil; expected life – 2 years; expected volatility – 156%. As at August 31, 2019, \$15,000 is included in subscription receivable.

On September 26, 2018, the Company issued shares and finder's units for the acquisition of Chaintrack (Note 9).

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Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL (Continued)

c) Stock Options

The Company grants incentive stock options as permitted by the Company's Stock Option Plan ("the Plan") approved by the shareholders of the Company. The aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of ten years. If the optionee ceases to be qualified to receive options from the Company those options expire within 30 days. All options vest when granted unless otherwise specified by the Board of Directors.

On March 12, 2019, the Company granted 25,000 (500,000 pre-consolidated) stock options to a consultant exercisable at \$1.40 (\$0.07 pre-consolidated) per common share for a period of three years and recognized share-based compensation of \$25,000. The fair value of the options were determined using the Black-Scholes option pricing model, which requires management to make estimates that are subjective and may not be representative of the actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation: Market price of shares - \$1.30 (\$0.065 pre-consolidated); risk free interest rate of 1.45%; expected life 3 years; expect volatility of 156%; expected dividend yield of 0% and forfeiture rate of 0%. These stock options vested at the date of grant.

On September 26, 2018, the Company granted 152,500 (3,050,000 pre-consolidated) stock options to employees of Chaintrack exercisable at \$1.40 (\$0.07 pre-consolidated) per common share for a period of two years. The fair value of the stock options was determined using the Black-Scholes option pricing model, which requires management to make estimates that are subjective and may not be representative of the actual results. Changes in assumptions can materially affect estimates of fair value. The following assumptions were used for the calculation: Market price of shares - \$1.40 (\$0.07 pre-consolidated); risk free interest rate of 2.19%; expected life 2 years; expect volatility of 156%; expected dividend yield of 0% and forfeiture rate of 0%. These stock options vested at the date of grant.

Expected volatility is estimated based on realized historical volatility of the Company's share prices.

There were no stock options granted during the three months ended November 30, 2019.

	Number	Weighted average life remaining (years)	Weighted average exercise price \$
Balance, August 31, 2018	15,000	3.04	6.00
Granted	177,500	-	1.40
Forfeited	(7,500)	-	4.00
Balance, August 31, 2019 and November 30, 2019	185,000	1.45 1.20	1.67 1.45

TRACKER VENTURES CORP.

(formerly Trackloop Analytics Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL (Continued)

c) Stock Options (Continued)

The following table summarizes the stock options outstanding and exercisable as at November 30, 2019.

Expiry Date	Exercise Price	Number of Options
April 10, 2025	\$8.00	7,500
March 11, 2022	\$1.40	25,000
September 25, 2020	\$1.40	152,500
Total		185,000

d) Warrants

Information regarding the Company's outstanding share purchase warrants is summarized below:

	Number	Weighted average exercise price
		\$
Balance, August 31, 2018	769,185	4.63
Issued	310,000	3.00
Expired	(69,125)	8.00
Balance, August 31, 2019 and November 30, 2019	1,010,060	3.90

As at November 30, 2019, the share purchase warrants have a weighted average contractual life of 1.02 years.

The following table summarizes the share purchase warrants outstanding and exercisable as at November 30, 2019:

Expiry date	Exercise price	Remaining contractual life (years)	Warrants Outstanding
April 23, 2020	\$6.80	0.65	75,060
January 17, 2021	\$4.00	1.38	625,000
November 13, 2020	\$3.00	1.21	310,000
			1,010,060

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(formerly Trackloop Analytics Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL (Continued)

e) Agent's Warrants

Information regarding the Company's outstanding Agent's warrants is summarized below:

	Number	Weighted average exercise price
		\$
Balance, August 31, 2018	28,644	4.21
Issued	67,800	3.88
Balance, August 31, 2019 and November 30, 2019	96,444	3.98

The following table summarizes the Agent's warrants outstanding and exercisable as at November 30, 2019:

Expiry date	Exercise price	Agents' Warrants Outstanding
January 17, 2021	\$4.00	26,466
April 23, 2020	\$6.80	2,178
September 25, 2020	\$4.00	60,000
November 13, 2020	\$3.00	7,800
		96,444

As at November 30, 2019, the Agents' warrants have a weighted average contractual life of 0.91 years.

7. FINANCIAL INSTRUMENTS AND RISK*Fair values*

The Company's financial instruments include cash, due to related party, accounts payable and accrued liabilities and loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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

Level 2 – Inputs other than quoted prices 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 date.

As at November 30, 2019, the Company did not recognize any financial assets or liabilities at their fair value.

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Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

7. FINANCIAL INSTRUMENTS AND RISK (Continued)

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash. To minimize the credit risk, the Company places cash with financial institutions. The carrying value of cash is the Company's maximum exposure to credit risk as at November 30, 2019.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As at November 30, 2019 the Company had a working capital deficiency of \$52,134. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long term cash requirement.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

8. CAPITAL MANAGEMENT

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity (deficit) as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing. There were no changes to the Company's approach to capital management during the period ended November 30 2019.

9. BUSINESS ACQUISITION AND DISCONTINUED OPERATIONS

Acquisition of Chaintrack

On September 26, 2018, the Company completed a share exchange agreement with Chaintrack Technologies Inc. ("Chaintrack"), a private company incorporated under the laws of British Columbia, pursuant to which the Company will acquire all of the issued and outstanding shares of Chaintrack. Chaintrack is a company providing Internet of-Things powered supply chain tracking solutions for the food and pharmaceutical industries. The Company issued 825,000 (16,500,000 pre-consolidated) common shares in exchange for 100% of the issued and outstanding shares of Chaintrack. Chaintrack became a wholly-owned subsidiary of the Company. The Company paid a finder's fee in the aggregate amount of 60,000 (1,200,000 pre-consolidated) units, with each unit comprising one common share and one common share purchase warrant exercisable at a price of \$4.00 (\$0.20 pre-consolidated) per share for a period of two years to a group of finders upon the closing of the transaction.

The transaction was accounted for pursuant to IFRS 3, Business Combinations, as the operations of Chaintrack meet the definition of a business. As the transaction was accounted for as a business combination, transaction costs were expensed and the goodwill resulting from the allocation of the purchase price to the total fair value of net assets will represent the sales and growth potential of Chaintrack.

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9. BUSINESS ACQUISITION AND DISCONTINUED OPERATIONS (Continued)Acquisition of Chaintrack (continued)

The common shares issued to the vendors are subject to resale restrictions whereby 20% are released from escrow every three months. The fair value of these shares were estimated to be \$842,000 based on the trading price of the shares on the date of issuance of \$1.60 (\$0.08 pre-consolidated) per share, discounted by the put option, calculated using the Black-Scholes option-pricing model, for the length of the hold period.

Due to the timing of the acquisition and then the subsequent sale thereof, the Company did not obtain the necessary information required to complete the allocation of the consideration to the assets acquired, particularly to the intangible assets and goodwill, and liabilities assumed, based on their estimated fair values at the date of acquisition.

Cash	\$	126,388
GST receivable		580
Unallocated purchase price		715,032
<hr/>		
Net assets acquired	\$	842,000
<hr/>		
Consideration given		
Common shares	\$	842,000

The Company recognized \$161,000 finders fees as a transaction cost and have recorded it as an expense to the consolidated statements of loss. The finders fees consist of 60,000 (1,200,000 pre-consolidated) units of the Company. The share component was valued at the stock price at the date of issuance at \$1.60 (\$0.08 pre-consolidated) per share, which is \$96,000. The warrant component was valued at \$65,000 using the Black-Scholes model based on the following assumptions: share price on issuance date - \$1.60 (\$0.08 pre-consolidated); risk free rate – 2.19%; expected dividend – nil; expected life – 2 years; expected volatility – 174%.

In connection with the completion of the above transaction, the Company must transfer to Chaintrack the following funds to be utilized by Chaintrack exclusively for research and development: (i) \$125,000 within 5 days of closing (advanced); (ii) \$50,000 within 60 days of closing (advanced); (iii) \$75,000 within 7 months from closing. The Company must, on a best efforts basis, raise a minimum of \$500,000 within 4 months of closing and transfer to Chaintrack an additional \$150,000 within 8 months of closing.

Sale of Chaintrack

On September 24, 2019, the Company entered into a share purchase agreement with one of the former shareholders of Chaintrack (the "Purchaser"), wherein the Company agreed to sell all of the issued and outstanding shares in the capital of Chaintrack, issue a promissory note in the amount of \$37,500 (subsequently paid) in favour of the purchaser and consent to the Purchaser the use of the name Trackloop Analytics Corp.

As a result, Chaintrack's operations have been reclassified as discontinued operations. The unallocated purchase price of \$715,032 was written off to impairment charge included in net loss from discontinued operations on the consolidated statements of loss at August 31, 2019.

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Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

9. BUSINESS ACQUISITION AND DISCONTINUED OPERATIONS (Continued)

The following summarizes the accounting information relating to the discontinued operations as at November 30, 2019 and August 31, 2019.

Statement of financial position	November 30, 2019	August 31, 2019
Assets	\$	\$
<u>Current</u>		
Amounts receivable	-	49,506
Prepaid expenses	-	1,300
	-	50,806
Liabilities		
<u>Current</u>		
Bank indebtedness	-	3,095
Accounts payable and accrued liabilities	-	14,063
Payroll taxes payable	-	53,492
Due to related parties	-	2,950
Loans payable	-	160,145
	-	233,745
	For the three months ended	
	November 30,	
Condensed interim statements of income (loss)	2019	2018
and comprehensive income (loss)	\$	\$
Sales	2,979	6,132
Expenses		
Bank charges and interest	90	214
Consulting fees	-	37,600
Office and miscellaneous	1,258	5,626
Professional fees	-	-12,626
Rent	-	1,125
Wages and benefits	16,467	33,753
Promotion and travel	252	-
	18,067	90,944
Loss before other item:	(15,088)	(84,812)
Other item		
Gain on disposal of Chaintrack	160,528	-
Net income (loss) from discontinued operations for the period	145,440	(84,812)

TRACKER VENTURES CORP.

(formerly Trackloop Analytics Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

9. BUSINESS ACQUISITION AND DISCONTINUED OPERATIONS (Continued)

The following table provides additional information with respect to the gain on sale of discontinued operations:

	\$
Consideration on disposal of discontinued operations	
Loan payable to purchaser	37,500
Less net assets (liabilities) of discontinued operations	
Amounts receivable	52,589
Prepaid expenses	1,300
Accounts receivable	(1,213)
Bank indebtedness	(15,687)
Payroll payable	(56,921)
Due to related parties	(2,951)
Loans payable	(175,145)
	(198,028)
Gain on disposal of Chaintrack	160,528

Condensed Interim statements of cash flows	For the three months ended November 30,	
	2019	2018
	\$	\$
Cash flows used in operating activities		
Net loss from discontinued operations	(15,088)	(84,812)
Gain on disposal of Chaintrack	160,528	-
Changes in non-cash working capital items		
Amounts receivable	49,505	(8,733)
Prepaid expenses and deposit	1,300	-
Accounts payable and accrued liabilities	(14,063)	10,086
Payroll taxes owing	(53,492)	-
	128,690	(83,459)
Cash flows from financing activities		
Bank indebtedness	(3,095)	-
Due to related party	(2,951)	-
Loans payable	(160,145)	-
	(166,190)	-
Net cash used in discontinued operations	(37,500)	(83,459)