

**TRACKER VENTURES CORP.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED  
FEBRUARY 28, 2021

(Expressed in Canadian Dollars)

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**TRACKER VENTURES CORP.**

Condensed Interim Consolidated Statements of Financial Position

February 28, 2021 and August 31, 2020

(Expressed in Canadian Dollars)

	<b>February 28, 2021</b>	<b>August 31, 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>	(Unaudited)	(Audited)
<b>Current</b>		
Cash	248,576	100,991
GST receivable	21,664	6,265
Prepaid expenses and deposit	41,325	13,380
Loan receivable (Note 10)	645,838	69,606
<b>Total Assets</b>	<b>957,403</b>	<b>190,242</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payables and accrued liabilities (Note 5)	152,227	81,264
	152,227	81,264
<b>Shareholders' equity</b>		
Share capital (Note 6)	8,400,354	7,094,824
Subscriptions received in advance	126,000	279,829
Contributed surplus	1,142,475	1,095,220
Deficit	(8,863,653)	(8,360,895)
	805,176	108,978
<b>Total Liabilities and Shareholders' Equity</b>	<b>957,403</b>	<b>190,242</b>

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 11)

APPROVED ON BEHALF OF THE BOARD:

"Geoff Balderson" Director"Stephen Ross Gatensbury" Director

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

**TRACKER VENTURES CORP.**

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)  
 For the three and six months ended February 28, 2021 and February 29, 2020  
 (Expressed in Canadian Dollars)

	Three months ended		Six months ended	
	February 28, 2021	February 29, 2020	February 28, 2021	February 29, 2020
	\$	\$	\$	\$
<b>EXPENSES</b>				
Advertising and promotion	201,393	-	201,393	-
Bank charges and interest	291	544	1,370	872
Consulting fees (Note 5)	112,684	12,000	205,400	24,000
Listing and filing	22,500	10,629	36,801	15,537
Office and miscellaneous	-	686	-	1,161
Professional fees	28,469	2,268	57,390	11,467
	365,337	26,127	502,354	53,037
<b>Loss before other item</b>	(365,337)	(26,127)	(502,354)	(53,037)
<b>OTHER ITEM:</b>				
Foreign exchange loss	(591)	-	(404)	-
	(591)	-	(404)	-
<b>Net loss and comprehensive loss from continuing operations</b>	(365,928)	(26,127)	(502,758)	(53,037)
<b>Net income and comprehensive income from discontinued operations (Note 9)</b>	-	-	-	145,440
<b>Total income (loss) and comprehensive income (loss)</b>	(365,928)	(26,127)	(502,758)	92,403
<b>Basic and diluted loss per share – continuing operations</b>	(0.02)	(0.01)	(0.04)	(0.02)
<b>Basic and diluted income per share – discontinued operations</b>	-	-	-	0.05
<b>Basic and diluted income (loss) per share – total</b>	(0.02)	(0.01)	(0.04)	0.03
<b>Weighted average number of common shares outstanding – basic and diluted</b>	15,546,357	3,212,632	13,473,047	3,212,632

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

**TRACKER VENTURES CORP.**

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

	For the six months ended	
	February 28, 2021	February 29, 2020
	\$	\$
<b>Cash flows used in operating activities</b>		
Net loss for the period from continuing operations	(502,758)	(53,037)
Changes in non-cash working capital items		
GST receivable	(15,399)	100,438
Prepaid expenses and deposits	(27,945)	2,743
Accounts payable and accrued liabilities	70,963	(6,233)
	(475,139)	43,911
<b>Cash flows from financing activities</b>		
Repayment to related party	-	(6,000)
Cash received from share issuance	1,116,931	-
Share subscriptions received in advance	126,000	-
Share issue cost	(43,975)	-
	1,198,956	(6,000)
<b>Cash flows used in investing activity</b>		
Loan receivable	(576,232)	-
	(576,232)	-
<b>Net cash used in discontinued operations (Note 9)</b>	-	(37,500)
<b>Change in cash in during the period</b>	147,585	411
<b>Cash, beginning of period</b>	100,991	63
<b>Cash, end of period</b>	248,576	474
<b>Supplemental cash flow information</b>		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

**TRACKER VENTURES CORP.**

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

	<b>Number of Shares Issued</b>	<b>Share Capital</b>	<b>Share Subscription</b>	<b>Contributed Surplus</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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	-	-	-	-	92,403	92,403
<b>Balance at February 29, 2020</b>	<b>3,212,632</b>	<b>7,094,824</b>	<b>(30,000)</b>	<b>1,095,220</b>	<b>(8,238,305)</b>	<b>(78,261)</b>
Balance at August 31, 2020	3,212,632	7,094,824	279,829	1,095,220	(8,360,895)	108,978
Rounding	2	-	-	-	-	-
Private placement	12,901,169	1,396,760	(279,829)	-	-	1,116,931
Share issue cost – cash	-	(43,975)	-	-	-	(43,975)
Agent's warrants	-	(47,255)	-	47,255	-	-
Share subscriptions received	-	-	126,000	-	-	126,000
Net loss and comprehensive loss for the period	-	-	-	-	(502,758)	(502,758)
<b>Balance at February 28, 2021</b>	<b>16,113,803</b>	<b>8,400,354</b>	<b>126,000</b>	<b>1,142,475</b>	<b>(8,863,653)</b>	<b>805,176</b>

See Accompanying Notes to the Condensed Interim Consolidated Financial Statements

## **TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

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### **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 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. 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 condensed interim 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 February 28, 2021, the Company has not achieved profitable operations, has accumulated losses of \$8,863,653 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.

There was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company’s operations.

### **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. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars which is also its functional currency.

These condensed interim consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2021.

**TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

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**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 consolidated financial statements as at August 31, 2020. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2020.

**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.

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.

**TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

**5. RELATED PARTY TRANSACTIONS AND BALANCES**Key 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 six months ended	
	February 28, 2021	February 29, 2020
	\$	\$
<u>Consulting fees</u>		
CFO and Chief Technology Officer ("CTO")	41,250	-
CEO and a company controlled by him	24,000	12,000
	65,250	12,000

The following summarizes the balances with related parties as at February 28, 2021 and August 31, 2020:

	February 28, 2021	August 31, 2020
	\$	\$
Accounts payable		
Pacrim Capital Corp – company controlled by Zayn Kalyan, CFO and CTO	22,322	-
Harmony Corporate services Ltd. – company controlled by Geoff Balderson, CEO	4,697	-
	27,019	-

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

**6. SHARE CAPITAL**

## a) Authorized:

An unlimited number of common shares without par value.

An unlimited number of preferred shares without par value.

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.



**TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)**

## b) Shares Issued:

On September 29, 2020, the Company issued 12,050,000 units at a price of \$0.07 per unit for total proceeds of \$843,500. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.20 per share expiring three years from the date of issuance. The Company paid a cash finders fee of \$22,099 and issued 315,700 Agents' warrants with similar terms to the above warrants. The Agents' warrants were fair valued at \$28,413 using the Black-Scholes option valuation mode with the following assumptions: Share price at the time of issuance \$0.07; risk-free interest rate of 0.25%; Expected life of three years; Dividend rate – 0%; Forfeiture rate – 0% and annualized volatility of 253% based on the Company's historical trade history.

On January 29, 2021, the Company issued 851,169 units at a price of \$0.65 per unit for total proceeds of \$553,260. Each unit consists of one common share and one-half share purchase warrant, with each warrant exercisable into one common share at a price of \$1.30 per share expiring two years from the date of issuance. The Company paid a cash finders fee of \$21,876 and issued 33,656 Agents' warrants with an exercise price of \$1.00 per share expiring two years from the date of issuance. The Agents' warrants were fair valued at \$18,842 using the Black-Scholes option valuation mode with the following assumptions: Share price at the time of issuance \$0.65; risk-free interest rate of 0.14%; Expected life of three years; Dividend rate – 0%; Forfeiture rate – 0% and annualized volatility of 156% based on the Company's historical trade history.

There were no shares issued during the year ended August 31, 2020.

## 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.

There were no stock options granted during the six months ended February 28, 2021 and for the year ended August 31, 2020.

	Number	Weighted average life remaining (years)	Weighted average exercise price
			\$
Balance, August 31, 2019 and 2020	185,000	1.45	1.67
Expired	(152,500)	-	1.40
Balance, February 28, 2021	32,500	1.74	2.92

**TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)**

## c) Stock Options (continued)

The following table summarizes the stock options outstanding and exercisable as at February 28, 2021.

Expiry Date	Exercise Price	Number of Options
April 10, 2025	\$8.00	7,500
March 11, 2022	\$1.40	25,000
Total		32,500

## d) Warrants

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

	Number	Weighted average exercise price
		\$
Balance, August 31, 2019	1,010,060	3.90
Expired	(75,060)	6.80
Balance, August 31, 2020	935,000	3.67
Issued	12,475,585	0.24
Expired	(935,000)	3.67
Balance, February 28, 2021	12,475,585	0.24

As at February 28, 2021, the share purchase warrants have a weighted average contractual life of 2.56 years.

The following table summarizes the share purchase warrants outstanding and exercisable as at February 28, 2021:

Expiry date	Exercise price	Remaining contractual life (years)	Warrants Outstanding
September 29, 2023	\$0.20	2.58	12,050,000
January 29, 2023	\$1.30	1.92	425,585
			12,475,585

**TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

**6. SHARE CAPITAL (Continued)**

## d) Warrants (continued)

The share purchase warrants issued on September 29, 2020 have the following vesting dates:

<b>Vesting dates</b>	<b>Number of warrants</b>
January 30, 2021	3,012,500
May 29, 2021	3,012,500
September 29, 2021	3,012,500
January 29, 2022	3,012,500

## e) Agent's Warrants

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

	<b>Number</b>	<b>Weighted average exercise price</b>
		<b>\$</b>
Balance, August 31, 2019	96,444	3.98
Expired	(2,178)	6.80
Balance, August 31, 2020	94,266	3.92
Issued	349,356	0.28
Expired	(94,266)	3.92
Balance, February 28, 2021	349,356	0.28

The following table summarizes the Agent's warrants outstanding and exercisable as at February 28, 2021:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Agents' Warrants Outstanding</b>
September 29, 2023	\$0.20	315,700
January 29, 2023	\$1.00	33,656
		349,356

As at February 28, 2021, the Agents' warrants have a weighted average contractual life of 2.52 years.

## **TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

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### **7. FINANCIAL INSTRUMENTS AND RISK**

#### *Fair values*

The Company's financial instruments include cash, loan receivable, and accounts payable and accrued liabilities. 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 data.

As at February 28, 2021, the Company did not recognize any financial assets or liabilities at their fair value.

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 and loan receivable is the Company's maximum exposure to credit risk as at February 28, 2021.

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 February 28, 2021, the Company had a working capital of \$805,176. 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 February 28, 2021.

**TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

**9. DISCONTINUED OPERATIONS**

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 (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 following summarizes the accounting information relating to the discontinued operations as at February 28, 2021 and February 29, 2020.

**Condensed Interim Statements of income (loss) and comprehensive income (loss)**

Condensed interim statements of income (loss) and comprehensive income (loss)	For the six months ended	
	February 28, 2021	February 29, 2020
	\$	\$
Sales	-	2,979
Expenses		
Bank charges and interest	-	90
Office and miscellaneous	-	1,258
Wages and benefits	-	16,467
Promotion and travel	-	252
	-	18,067
Loss before other item:	-	(15,088)
Other item		
Gain on disposal of Chaintrack	-	160,528
Net income (loss) from discontinued operations for the period	-	145,440

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

	\$
Cost of disposal of discontinued operations	
Cash paid to purchaser	37,500
Less net assets (liabilities) of discontinued operations	
Amounts receivable	52,588
Prepaid expenses	1,300
Accounts payable and accrued liabilities	(1,213)
Bank indebtedness	(15,687)
Payroll payable	(56,921)
Due to related parties	(2,950)
Loans payable	(175,145)
	(198,028)
Gain on disposal of Chaintrack	160,528

**TRACKER VENTURES CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

**9. DISCONTINUED OPERATIONS (Continued)**

<b>Condensed Interim statements of cash flows</b>	<b>For the six months ended</b>	
	<b>February 28, 2021</b>	<b>February 29, 2020</b>
	<b>\$</b>	<b>\$</b>
Cash flows used in operating activities		
Net loss from discontinued operations	-	(15,088)
Gain on disposal of Chaintrack	-	160,528
Changes in non-cash working capital items		
Amounts receivable	-	49,505
Prepaid expenses and deposit	-	1,300
Accounts payable and accrued liabilities	-	(14,063)
Payroll taxes owing	-	(53,492)
	-	128,690
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)

**10. SHARE EXCHANGE TRANSACTION**

On October 29, 2020, the Company entered into a definitive share exchange agreement (the "**Definitive Agreement**") with Kontakt World Technologies Corp. ("**Contact Parentco**"), Kontakt, LLC and the shareholders of Kontakt Parentco as of this date (the "**Founding Kontakt Shareholders**") to indirectly acquire a 100% interest in Kontakt, LLC, a technology company modernizing the contact tracing process through next-gen data integrations, strategic health partnerships and respect for user privacy to empower and build mutual trust within communities (the "**Acquisition**"). Kontakt Parentco holds 100% of the membership interests in Kontakt, LLC.

On December 3, 2020, the Definitive Agreement was superseded by an amalgamation agreement (the "**Amalgamation Agreement**"). The Amalgamation Agreement provides for, among other things:

- (i) the Founding Kontakt Shareholders exchanging their common shares in Kontakt Parentco for an aggregate of 10,049,659 Subordinate Voting Shares of the Company and 100,497 Compressed Shares of the Company;
- (ii) the Non-Founding Kontakt Shareholders exchanging their common shares in Kontakt Parentco for Subordinate Voting Shares of Tracker on a 1:1 basis;
- (iii) common share purchase warrants of Kontakt Parentco being exchanged for warrants of the Company having equivalent terms on a 1:1 basis;
- (iv) the Company issuing 5,500,000 restricted share units ("**RSUs**") on closing to consultants, such RSUs to vest on a quarterly basis over the 21 months following the Transaction;

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Notes to the Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

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### **10. SHARE EXCHANGE TRANSACTION (Continued)**

- (v) the Company issuing 3,000,000 performance warrants to Justin Beck pursuant to his employment agreement upon achieving certain milestones described therein; and
- (vi) the Company agreeing to issue the number of performance warrants equal to 5% of the then-outstanding share capital to Justin Beck on achievement of a listing on the Nasdaq Capital Markets, the New York Stock Exchange, or the Members Exchange.

Completion of the transactions contemplated under the Amalgamation Agreement is subject to the satisfaction of various conditions as are standard for a transaction of this nature, including but not limited to (i) the approval by the shareholders of the Company, (ii) execution of a pooling agreement by the Founding Vendors respecting the quarterly release of 87.5% of the consideration shares over the 21 months following the closing, (iii) the absence of any material adverse change, material litigation, claims, investigations or other matters, including any subsidiaries or related companies of the Company and Contact Parentco; and (iv) receipt of all requisite regulatory, stock exchange, court or governmental authorizations and consents, including the Canadian Securities Exchange. There can be no assurance that the transactions contemplated under the Tracker Amalgamation Agreement will be completed on the terms proposed above or at all.

In connection with the Acquisition, on October 29, 2020, the Company entered into a loan agreement with Kontakt, LLC whereby the Company agreed to provide to Kontakt, LLC a credit facility (the "Facility") in the amount of up to \$1,000,000, maturing October 29, 2021 ("Maturity Date"). If the Acquisition is terminated or abandoned before the Maturity Date, amounts due under the Facility will mature and become payable within 90 days of such termination or abandonment, as the case maybe; and if the Acquisition is completed before the Maturity Date, amounts due under the Facility will become payable on the Maturity Date. As of February 28, 2021, \$645,838 was provided to Kontakt, LLC.

The Company is also proposing a reorganization of its share structure to facilitate the completion of the Acquisition.

### **11. SUBSEQUENT EVENTS**

On March 3, 2021, the Company issued 655,923 units at a price of \$0.65 per unit for total proceeds of \$426,350. Each unit consists of one common share and one-half share purchase warrant, with each warrant exercisable into one common share at a price of \$1.30 per share expiring two years from the date of issuance. The Company paid a cash finders fee of \$12,740 and issued 19,600 Agents' warrants with an exercise price of \$1.00 per share expiring two years from the date of issuance.