Contakt World Technologies Corp.

(Formerly Tracker Ventures Corp.)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2021

(Expressed in United States Dollars)

Crowe MacKay LLP
1100 - 1177 West Hastings Street
Vancouver, BC V6E 4T5
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Contakt World Technologies Corp.

Opinion

We have audited the consolidated financial statements of Contakt World Technologies Corp. ("the Group"), which comprise the consolidated statements of financial position as at August 31, 2021 and August 31, 2020 and the consolidated statements of operations and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at August 31, 2021 and August 31, 2020, and its consolidated financial performance and its consolidated cash flows for the periods 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group'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:

- Management's Discussion and Analysis

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Diana Huang.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada Canada
March 11, 2022

Contakt World Technologies Corp.
(formerly Tracker Ventures Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2021 AND 2020
(Expressed in United States Dollars)

	August 31, 2021	August 31, 2020
ASSETS		
CURRENT ASSETS		
Cash	$ 44,094	$ 2,752
Accounts Receivable	138,197	-
Prepaid Expenses and Other Current Assets	58,041	19,838
Total Current Assets	240,332	22,590
Right-of-use assets (Note 4)	28,098	-
Deposit	3,500	3,500
TOTAL ASSETS	**$ 271,930**	**$ 26,090**
LIABILITIES AND SHAREHOLDERS' DEFICIT		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 6)	$ 2,562,992	$ 25,249
Due to Related Parties (Note 6)	55,111	13,214
Notes Payable (Note 5)	-	69,192
Current Lease Liabilities (Note 4)	31,235	-
Convertible Loans (Note 12)	3,438,027	-
Derivative Liability (Note 12)	932,020	-
TOTAL LIABILITIES	**7,019,385**	**107,655**
SHAREHOLDERS' DEFICIT		
Members' Units	-	9,000
Share Capital (Note 7)	12,262,340	-
Contributed Surplus (Note 7)	5,335,170	-
Accumulated other comprehensive loss	(38,164)	-
Deficit	(24,306,801)	(90,565)
TOTAL SHAREHOLDERS' DEFICIT	**(6,747,455)**	**(81,565)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	**$ 271,930**	**$ 26,090**

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Zayn Kalyan"
Director

"Christopher Cherry"
Director

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

Contakt World Technologies Corp.
(formerly Tracker Ventures Corp.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED AUGUST 31, 2021 AND PERIOD ENDED AUGUST 31, 2020
(Expressed in United States Dollars)

	Year ended August 31, 2021	From inception on March 30, 2020 to August 31, 2020
Revenues	$ 162,521	$ -
Expenses:		
Interest expense (Notes 4 abd 12)	67,758	-
Office Administration (Note 6)	934,286	3,531
Marketing	1,225,232	9,326
Professional Fees (Note 6)	2,867,446	77,708
Research and Development	1,284,181	-
Stock-based Compensation (Note 7)	829,435	-
Total Expenses	7,208,338	90,565
Net Loss before Other Items	(7,045,817)	(90,565)
Other Items		
Finders' fees (Note 12)	(410,000)	-
Foreign exchange loss	(65,730)	-
Gain on remeasurement of derivative liabilities (Notes 7 and 12)	494,305	-
Impairment of investment (Note 11)	(5,814,850)	-
Listing cost from reverse take-over (Note 10)	(11,374,144)	-
Net Loss	(24,216,236)	(90,565)
Foreign currency translation adjustment	(38,164)	-
Comprehensive loss	**$ (24,254,400)**	**$ (90,565)**
Loss Per Class A Subordinate Voting Shares - Basic and Diluted	$ (1.32)	N/A
Loss Per Class B Super Voting Shares - Basic and Diluted	$ (132.11)	N/A
Weighted Average Number of Class A Subordinate Voting Shares - Basic and Diluted	16,954,214	N/A
Weighted Average Number of Class B Super Voting Shares - Basic and Diluted	13,767	N/A

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

Contakt World Technologies Corp.
(formerly Tracker Ventures Corp.)
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
FOR THE YEAR ENDED AUGUST 31, 2021 AND PERIOD ENDED AUGUST 31, 2020
(Expressed in United States Dollars)

	Number of Common Shares	Number of Class A Shares	Number of Class B Shares	Share Capital	Members' Units	Contributed Surplus	Accumulated other comprehensive loss	Deficit	Shareholders' Equity (Deficit)
MEMBERS' EQUITY - MARCH 30, 2020 (INCEPTION)									
Net and Comprehensive Loss	-	-	-	$ -	$ -	$ -	$ -	$ (90,565)	$ (90,565)
Members Contributions	-	-	-	-	9,000	-	-	-	9,000
ENDING BALANCE AT AUGUST 31, 2020	-	-	-	-	9,000	-	-	(90,565)	(81,565)
Net Loss	-	-	-	-	-	-	-	(24,216,236)	(24,216,236)
Members Contributions	-	-	-	-	11,000	-	-	-	11,000
Shares Issued	100	-	-	1	-	-	-	-	1
Shares Issued for Services	500,000	-	-	196,171	-	-	-	-	196,171
Units Issued for Cash	6,410,734	-	-	2,478,084	-	-	-	-	2,478,084
Fair Value of Warrants	-	-	-	(1,146,047)	-	-	-	-	(1,146,047)
Share Issuance Costs	-	-	-	(159,264)	-	51,200	-	-	(108,064)
Units Issued for Debt Settlement	299,189	-	-	117,133	-	-	-	-	117,133
Fair Value of Warrants	-	-	-	(54,472)	-	-	-	-	(54,472)
Share Exchange	20,000,000	-	-	20,000	(20,000)	-	-	-	-
Equity top-up	-	-	-	134,467	-	-	-	-	134,467
Elimination of Shares of Contakt	(27,210,023)	-	-	-	-	-	-	-	-
Shares of Tracker on RTO date	-	19,683,649	-	7,892,159	-	-	-	-	7,892,159
Shares Issued to Shareholders of Contakt for RTO	-	17,160,364	100,497	-	-	-	-	-	-
Warrants of Tracker on RTO date	-	-	-	-	-	3,545,200	-	-	3,545,200
Reclassify the Fair Value of Warrants upon Conversion of Contakt Warrants for Tracker Warrants	-	-	-	965,175	-	-	-	-	965,175
Issuance of RSUs to finders of RTO	-	-	-	-	-	1,378,108	-	-	1,378,108
Exercise of Warrants	-	159,500	-	25,160	-	-	-	-	25,160
RSUs granted and vested	-	-	-	-	-	411,934	-	-	411,934
Shares Issued Upon Vesting of RSUs	-	1,076,250	-	468,773	-	(468,773)	-	-	-
Shares Issued for Stratum acquisition	-	3,523,933	-	1,325,000	-	-	-	-	1,325,000
Stock-based compensation	-	-	-	-	-	417,501	-	-	417,501
Foreign currency translation adjustment	-	-	-	-	-	-	(38,164)	-	(38,164)
ENDING BALANCE AT AUGUST 31, 2021	**-**	**41,603,696**	**100,497**	**$12,262,340**	**$ -**	**$ 5,335,170**	**$ (38,164)**	**$ (24,306,801)**	**$ (6,747,455)**

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

Contakt World Technologies Corp.
(formerly Tracker Ventures Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2021 AND PERIOD ENDED AUGUST 31, 2020
(Expressed in United States Dollars)

	Year ended August 31, 2021	From inception on March 30, 2020 to August 31, 2020
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Net Loss	$ (24,216,236)	$ (90,565)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:		
Accretion of lease liability	5,541	-
Accrued interest on convertible note	62,217	-
Consulting fees paid in shares	196,171	-
Convertible loan issued for finders' fees	410,000	
Depreciation of right-of-use asset	28,096	-
Foreign exchange loss	65,730	-
Gain on remeasurement of derivative liabilities	(494,305)	-
Impairment of investment	5,814,850	
Listing expense	11,374,144	-
Stock-based compensation	829,435	-
Changes in Operating Assets and Liabilities:		
Accounts receivable	12,247	-
Prepaid expenses and other current assets, and deposits	13,586	(23,338)
Accounts payable and accrued liabilities	1,943,471	25,249
NET CASH USED IN OPERATING ACTIVITIES	(3,955,053)	(88,654)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Stratum Health Solutions, LLC, net of cash received	(107,685)	-
Net cash received from reverse take-over	307,540	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	199,855	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party	55,071	13,214
Contribution from members	11,000	9,000
Proceeds from units issued, net of share issuance costs	2,370,021	-
Warrants exercised	25,160	-
Additional contributions from Contakt founders	134,467	-
Notes payable	(18,386)	18,386
Loans received prior to reverse take-over forgiven on acquisition	1,249,707	50,806
Lease payments	(30,500)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,796,540	91,406
NET INCREASE IN CASH	41,342	2,752
CASH, BEGINNING OF PERIOD	2,752	-
CASH, END OF PERIOD	$ 44,094	$ 2,752

Supplemental disclosure with respect to cash flows (Note 13)

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

NOTE 1. NATURE OF OPERATIONS

Contakt World Technologies Corp. (the "Company", or the "Parent"), formerly known as Tracker Ventures Corp. ("Tracker"), was incorporated pursuant to the Business Corporations Act (British Columbia) on July 10, 2007. The Company is engaged in the development, marketing, and commercialization of contact tracing solutions.

The head office, address and records office of the Company are located at Suite 750 – 1095 West Pender Street, Vancouver, BC, Canada, V6E 2M6.

On July 12, 2021, Tracker completed the transaction with the company formerly known as Contakt World Technologies Corp. ("Contakt"), Contakt, LLC and the shareholders of Contakt. Tracker subsequently changed its name to Contakt World Technologies Corp. Upon closing of the transaction, the shareholders of Contakt had control of the combined entity, and as a result, the transaction is considered a reverse acquisition of Tracker by Contakt. For accounting purposes, Contakt is considered the acquirer, and Tracker the acquiree. Accordingly, the consolidated financial statements are a continuation of the financial statements of Contakt. See Note 10.

Contakt has a wholly owned operating subsidiary, Contakt, LLC (the "Subsidiary" or "Contakt LLC") which was formed as a limited liability company in the State of California and the Company's Articles of Organization were filed with the Secretary of State of the State of California on March 30, 2020. The Subsidiary controls the daily operations of the consolidated company's operations and has four patent applications pending with the United States Patent and Trademark Office. Contakt LLC became a wholly owned subsidiary of Contakt through a share exchange (the "Share Exchange") contemplated under a share exchange agreement made on October 9, 2020 between Contakt, Contakt LLC and the membership interest holders of Contakt LLC (the "Share Exchange Agreement"). The Share Exchange was treated as a common control business combination accounted for under the pooling of interest method. Accordingly, the assets and liabilities of the combining entities are reflected at their carrying amounts as if the transaction had occurred on the earliest comparative period presented.

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 August 31, 2021, the Company has not achieved profitable operations, has accumulated losses of $24,306,801 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.

Throughout 2020, the actual and threatened spread of the COVID-19 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 future trading prices of the Company's shares and its ability to raise new capital. Although the Company's business model is designed to slow the spread of COVID-19 and other viruses, these factors, amongst others, could still have a significant impact on the Company's operations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation and Statement of Compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in this note. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements were reviewed by the Management of the Company and approved and authorized for issue by the Board of Directors on March 11, 2022.

(b) Basis of Measurement

The preparation of 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 3 for use of estimates and judgements made by management in the application of IFRS.

(c) Functional and Presentation Currency

These financial statements are presented in United States dollars, which is also the functional currency of Contakt LLC, 1315006 B.C. Ltd. and Stratum Health Solutions, LLC ("Stratum"). The functional currency of the parent company is Canadian dollars.

(d) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable are considered. Non-controlling interests in the equity of consolidated subsidiaries are shown separately in the consolidated statement of operations and in the consolidated statement of changes in shareholders' deficit. All intercompany balances and transactions are eliminated on consolidation. The information below lists the Company's subsidiaries that are included in these consolidated financial statements and the ownership interest held as of August 31, 2021 and 2020.

	Percentage of Ownership August 31, 2021	**Percentage of Ownership August 31, 2020**
Contakt LLC	100%	100%
1315006 B.C. Ltd.	100%	0%
Stratum Health Solutions, LLC	100%	0%

(e) Cash

Cash include cash deposits in a financial institution.

(f) Financial Instruments

Financial Assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measures at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Company classifies its cash and accounts receivable as financial assts at amortized cost.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For the years presented, the Company did not record an expected credit loss.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in other comprehensive income; and the remaining amount of the change in the fair value is presented in profit or loss. Derivative liability is classified as financial liabilities at FVTPL.

The Company classifies its accounts payable and accrued liabilities, lease liabilities, notes payable, convertible loans and due to related parties as financial liabilities held at amortized cost.

(g) Convertible loans and derivative liability

Upon initial recognition, the Company determines whether the convertible loans consist of liability and equity components, or if both components represent liabilities. For convertible loans which provide conversion into a fixed number of shares at a fixed value (the “fixed-for-fixed” criteria), the liability component is initially recorded at fair value and subsequently at amortized cost using the effective interest rate method. The liability component is accreted to the face value over the term of the convertible loan. The equity component is recognized as the difference between the fair value of the instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

For convertible loans which provide conversion into a variable number of shares or into a fixed number shares for a variable amount of consideration, the conversion option is accounted for as an embedded derivative, which is separated from the host contract. The conversion option of the convertible loans outstanding at August 31, 2021 met the criteria of a derivative liability because the conversion price varies depending on the foreign exchange rate at the time of conversion and thus did not meet the “fixed-for-fixed” criteria. As a result, the Company separately account for the conversion feature as a derivative liability recorded at fair value and marked-to-market each period with the changes in the fair value recognized in profit or loss. The host liability is recognized as the difference between the fair value of the instrument as a whole and the fair value of the derivative liability, and is accreted to the face value over the term of the convertible loan.

(h) Income Taxes

Income tax expense consisting of current and deferred tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(i) Right-of-use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Company's right-of-use asset is depreciated over the lease term of 2 years. Right-of-use assets are also subject to impairment.

(j) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if applicable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as occupancy expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(k) Earnings (Loss) per Share

Basic earnings (loss) per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings/loss per common share is computed using the treasury-stock method by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had an anti-dilutive effect for the year ended August 31, 2021. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

(l) Foreign Currency Transactions

Transactions and balances in foreign currencies

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction.

At each reporting period end, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate in effect at that date. Nonmonetary assets and liabilities that are measured in terms of historical cost in a foreign currency remain at the exchange rate at the date of the transaction or, for nonmonetary assets and liabilities measured at fair value, the exchange rate in effect at the measurement date. The exchange differences resulting from the translation of foreign currency transactions are recognized in profit or loss.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into United States dollars at the exchange rate prevailing at the reporting date and transactions are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.

(m) Business combinations under common control

Business combination under common control is accounted for by applying the pooling of interests method.

- All Assets and Liabilities of the combining parties are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities at the date of the combination that would otherwise be done under the acquisition method.
- No goodwill is recognized as a result of the combination.
- The consolidated statement of operations and comprehensive loss reflects the results of the combining parties.
- Comparative periods are restated as if the combination had taken place at the beginning of the earliest comparative period presented or, if later, the date from which the combining parties were subject to common control.

(n) Share capital and units

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Proceeds from the exercise of warrants are recorded as share capital in the amount for which the warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued by reference to the Company's quoted market price when the fair value of the non-monetary assets cannot be reasonably estimated.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. When these warrants are exercisable in a different currency than the functional currency, warrants are classified as a derivative liability and are valued using the Black-Scholes Option Pricing model. The proceeds are allocated first to the derivative liability based on the fair value of the warrants at the time the units are issued and any residual value is allocated to the shares.

(o) Share-based payments

The Company grants share-based awards, including restricted share units (“RSUs”) and stock options, to directors, officers, employees, and consultants.

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees are 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 contributed surplus.

The fair value of RSUs is determined based on quoted market price of the Company’s Class A Subordinate Voting shares and 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.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment in contributed surplus is transferred to share capital.

Charges for options that are forfeited before vesting are reversed from contributed surplus.

(p) Revenue recognition

The Company accounts for a customer contract when the rights of the parties, including the payment terms, are identified, the contract has commercial substance, collection of consideration is probable, and the contract has been signed and agreed to by both parties. Revenue is recognized when, or as, performance obligations are satisfied by transferring control or economic benefit of the service to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for its services.

The Company’s software-as-a-service (“SaaS”) business, which allows customers to use software over the contract period, is provided on a subscription basis, and revenue is recognized ratably over the contract period, commencing on the date an executed contract exists and the customer has the right-to-use and access to the software.

(q) Impairment of long-lived assets

The carrying amounts of the Company’s non-financial assets are 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 recognized in profit or 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.

NOTE 3. USE OF ESTIMATES AND JUDGEMENTS

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.

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:

(a) Going Concern

See Note 1 for assessment of going concern.

(b) Common Control Transaction

For the Share Exchange between the Company and Contakt LLC, judgement was applied to determine if the transaction represented a business combination or an asset purchase. Management also used judgement to determine that since the Company and Contakt LLC were owned and controlled by the same parties, in substantially the same ownership percentages, both before and after the transaction, the business combination is considered a common ownership transaction accounted for as a common control business combination. Thus, the net assets were recorded at their predecessor carrying values rather than at fair value.

(c) Income Taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

Significant estimates 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.

(a) Business combinations and reverse acquisitions

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. The Company must determine whether it is the acquirer or acquiree in each acquisition. Under IFRS 3 – Business Combinations, the acquirer is the entity that obtains control of the acquiree in the acquisition. If it is not clear which company is the acquirer, additional information must be considered, such as the combined entity's relative voting rights, existence of a large minority voting interest, composition of the governing body and senior management, and the terms behind the exchange of equity interest.

(b) Purchase price allocation related to acquisitions

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. The Company identified total net liabilities of $214,850 related to the acquisition of Stratum Health Solutions, LLC on August 12, 2021 (Note 11) and total net assets of $1,441,323 related to the reverse takeover of Tracker on July 12, 2021 (Note 10). In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

(c) Bifurcation of convertible debt and fair value of derivative liability

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of stock options, standalone share purchase warrants issued and derivative liability. This model requires the input of subjective assumptions including expected share price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity reserves.

(Expressed in United States Dollars)

NOTE 4. LEASES

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities under IFRS 16 with respect to its office space, and the movements during the period:

Lease liabilities recognized as of September 1, 2020	$ -
Additions	56,194
Accretion	5,541
Lease payments	(30,500)
Lease liabilities at August 31, 2021	31,235
Less: current portion	(31,235)
Long-term portion	$ -
Right-of-Use Assets:	
Right-of-use assets recognized as of September 1, 2020	$ -
Additions	56,194
Depreciation expense	(28,096)
Right-of-Use Assets, Net	$ 28,098

For the year ended August 31, 2021, the Company paid a total cash outflow of $30,500 for leases, and total interest expense incurred was $5,541. The weighted average incremental borrowing rate on lease liabilities as at August 31, 2021 is 19%. There is an option to extend the term of the lease for 2 additional 24 month periods. In the measurement of the lease term, it is assumed the option will not be exercised.

Future minimum lease payments under non-cancellable finance leases as of August 31, 2021 are as follows:

Fiscal 2022	$ 34,542

The lease was terminated subsequent to year-end and the Company paid $10,000 as an early termination fee.

NOTE 5. NOTES PAYABLE

Notes payable is comprised of the following:

$Nil line of credit from Michael Townsend ("Lender") outstanding at August 31, 2021 (2020 - $18,386), which is secured by a non-interest bearing Promissory Note. The Note is repayable within 15 days of (the "Lender") providing the Company with written notice of demand or December 31, 2020, whichever comes first. The amount has been paid off in full during the year ended August 31, 2021.

In connection with the Transaction (Note 10), on October 29, 2020, Tracker entered into a non-interest bearing loan agreement with Contakt LLC whereby Tracker agreed to provide to Contakt LLC a credit facility (the "Facility") in the amount of up to $1,000,000 CAD, maturing October 29, 2021 (the "Maturity Date"). If the Transaction 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 Transaction is completed before the Maturity Date, amounts due under the Facility will become payable on the Maturity Date. Upon the closing of the Acquisition on July 12, 2021, the Facility in the amount of $1,300,513 (2020 - $50,806) was eliminated on consolidation.

(Expressed in United States Dollars)

NOTE 6. RELATED PARTIES

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.

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

		August 31, 2021		August 31, 2020
Balances included in				
Accounts payable and accrued liabilities	$	(10,000)	$	-
Due to Directors and/or Officers		(55,111)		(13,214)
Total	$	(65,111)	$	(13,214)

The amounts due to related parties are unsecured, non-interest bearing. During the year ended August 31, 2021, the Company has agreed to settle $13,174 owed to an officer by the issuance of 34,218 units (Note 7).

During the year ended August 31, 2021, the Company paid and/or accrued $193,598 (2020 - $Nil) in professional fees to directors and/or officers. The Company also paid or accrued $80,000 in salaries to a director, which is included in Office Administration in the consolidated statements of operations.

On September 1, 2020 and amended March 16, 2021, Contakt LLC entered into an employment agreement with Justin Beck (the "CVO Employment Agreement") setting forth the terms and conditions of his employment, which provides for his base salary and includes, among other things, provisions regarding non-disclosure, non-competition, and termination. Pursuant to the CVO Employment Agreement, Mr. Beck is paid an annual base salary of $325,000 (the "Base Salary") for a term of two years (the "Employment Term"). During the year ended August 31, 2021, short-term employment benefits, which is included in Office Administration in the consolidated statements of operations, totaled $284,375 (2020 – $Nil). In addition to a base salary, Contakt LLC may offer Mr. Beck additional incentive compensation for as long as he is employed by Contakt LLC and if employment terminates prior to a vesting date, all non-vested shares and option awards shall terminate immediately.

The incentive compensation includes performance warrants issued upon Contakt LLC completing a go public transaction in July 2021. Pursuant to the CVO Employment Agreement, Mr. Beck has earned certain performance warrants, which were conditions of the going public transaction.

Subsequent to the year-ended August 31, 2021, the Company terminated the CVO Employment Agreement and all performance warrants issued to Mr. Beck were cancelled (Note 7).

NOTE 7. SHARE CAPITAL

(a) Share capital

An unlimited number of Class A Subordinate Voting Shares are authorized without par value.

An unlimited number of Class B Super Voting Shares are authorized without par value. Each Class B Super Voting Share entitles the holder to 100 votes at general and special meetings of shareholders of the Company and covert such shares into Subordinate Voting Shares on a 1:100 basis.

Upon formation, Contakt LLC issued 9,000,000 membership units to the founder on April 1, 2020 for $9,000. As of August 31, 2020, 9,000,000 membership units were outstanding.

Pursuant to the September 29, 2020 Contakt LLC share subscription agreements, additional 11,000,000 membership units were issued to various individuals for $11,000. The membership shares represent 100% ownership of Contakt LLC.

Upon creation of Contakt World Technologies Corp. on October 8, 2020, there were 100 common shares at the price of $0.01 CAD issued per an initial subscription agreement.

Pursuant to the Share Exchange Agreement described in Note 10, the 20,000,000 membership units of Contakt LLC were exchanged for common shares of Contakt on a one for one basis. As a result of the Share Exchange, Contakt holds 100% of the Contakt LLC membership interests. The $20,000 valuation of the shares is based on the historical carrying value of the Contakt LLC membership shares exchanged.

Between November 20 and November 30, 2020, the Company issued 4,645,000 units at a price of $0.50 CAD per unit for total proceeds of $2,322,500 CAD, or $1,785,313. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $1.00 CAD per share expiring 24 months from the date of issuance. The fair value of the warrants issued, recorded as an allocation of the proceeds received, was estimated at $823,480 using the Black-Scholes Option Pricing model. The Company paid a cash finder's fee of $108,064 ($139,050 CAD), and issued 289,100 finders' warrants with similar terms to the above warrants. The fair value of the finders' warrants was estimated at $51,200 using the Black-Scholes Option Pricing model.

On November 27, 2020, Contakt LLC closed a settlement of debt with Justin Beck, under which the Company issued 34,218 units to Justin Beck to settle $17,109 CAD. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $1.00 CAD per share expiring 24 months from the date of issuance. The units were valued at $0.50 CAD per unit, for a total of $13,174. The fair value of the warrants issued, recorded as an allocation of the fair value of the units, was estimated at $6,066 using the Black-Scholes Option Pricing model.

On December 1, 2020, the Company issued 500,000 common shares valued at $250,000 CAD, or $196,171, to a vendor for consulting services rendered during the period.

Between December 21, 2020 and February 25, 2021, the Company issued 1,765,734 units at a price of $0.50 CAD per unit for total proceeds of $882,867 CAD, or $692,771. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $1.00 CAD per share expiring 24 months from the date of issuance. The fair value of the warrants issued, recorded as an allocation of the proceeds received, was estimated at $322,567 using the Black-Scholes Option Pricing model.

On January 22, 2021, the Company issued 75,983 units valued at $0.50 CAD per unit to settle accounts payable of $28,959. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $1.00 CAD per share expiring 24 months from the date of issuance. The fair value of the warrants issued, recorded as an allocation of the fair value of the units, was estimated at $13,881 using the Black-Scholes Option Pricing model.

(Expressed in United States Dollars)

On February 25, 2021, the Company issued 188,988 units valued at $0.50 CAD per unit to settle accounts payable of $75,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $1.00 CAD per share expiring 24 months from the date of issuance. The fair value of the warrants issued, recorded as an allocation of the fair value of the units, was estimated at $34,525 using the Black-Scholes Option Pricing model.

In July 2021, the Founding Contakt Shareholders contributed an aggregate of $164,853 CAD ($134,467) to increase the paid-up capital of an aggregate of 8,676,496 common shares of Contakt from $0.001 to $0.02.

On July 12, 2021, Tracker issued 17,160,364 Class A Subordinate Voting Shares and 100,497 Class B Super Voting Shares pursuant to the Tracker Amalgamation agreement in exchange for 27,210,023 former common shares of Contakt (Note 10).

On August 12, 2021, the Company issued 159,500 Class A Subordinate Voting Shares pursuant to the exercise of 159,500 warrants at a price of $0.20 CAD for total proceeds of $25,160.

During the year ended August 31, 2021, the Company issued 1,076,250 Class A Subordinate Voting Shares related to the vesting of RSUs.

On August 12, 2021, the Company issued 3,523,933 Class A Subordinate Voting Shares pursuant to the acquisition of Stratum Health Solutions, LLC (Note 11).

As of August 31, 2021, 41,603,696 Class A Subordinate Shares and 100,497 Class B Super Voting Shares of the Company were issued and outstanding.

(b) Escrow Shares

In connection with the Tracker Amalgamation Agreement as discussed in Note 10, 6,567,109 Class A Subordinate Voting Shares and 65,496 Class B Super Voting Shares were held in escrow which are released over 36 months, with 10% of such shares released on the Listing Date and an additional 15% to be released every six months thereafter. As of August 31, 2021, 5,910,398 Class A Subordinate Shares and 58,946 Class B Super Voting Shares were held in escrow.

(c) Warrants

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

	Number of Warrants	**Weighted average exercise price**
		$ CAD
Balance, August 31, 2020	-	-
Issued	6,709,923	1.00
Assumed from Tracker	11,658,008	0.33
Exercised	(159,500)	0.20
Balance, August 31, 2021	18,208,431	0.58

(Expressed in United States Dollars)

Prior to the reverse take-over (Note 10), the warrants were exercisable in a different currency than the functional currency, accordingly they have been classified as a derivative liability. The warrants were fair valued at $1,200,519 on the date of issuance using the Black-Scholes option valuation model with the following weighted average assumptions: Share price at the time of issuance $0.50 CAD; Risk-free interest rate of 0.31%; Expected life of two years; Dividend rate – 0%; Forfeiture rate – 0% and Annualized volatility of 120%. Since the Company was not publicly trading at the time of issuance and have no history of trades, the Company utilized annualized volatility of comparable startup companies.

The warrants are re-valued at each reporting date, with a gain or loss reported in profit or loss. The Company recorded a gain on the revaluation of $253,624 for the year ended August 31, 2021. The fair value of the warrants at the remeasurement date was determined using the Black-Scholes option valuation model with the following weighted average assumptions: Share price at the time of re-measurement $0.50 CAD; Risk-free interest rate of 0.35%; Expected life of 1.41 years; dividend rate – 0%; Forfeiture rate – 0% and Annualized volatility of 120%. Since the Company was not publicly trading at the time of issuance and have no history of trades, the Company utilized annualized volatility of comparable startup companies.

Pursuant to the Tracker Amalgamation Agreement, the outstanding warrants of Contakt were exchanged for Tracker warrants with equivalent terms on a 1:1 basis on July 12, 2021 (Note 10). Upon the completion of the reverse take-over, the replacement warrants' exercise price is the same as the functional currency of the Company and, as a result, the derivative liability of $965,175 at July 12, 2021 has been derecognized and reclassified to equity.

The following table summarizes the share purchase warrants outstanding as at August 31, 2021:

Expiry date	Exercise price $ CAD	Remaining contractual life (years)	Warrants Outstanding
November 20, 2022	$1.00	1.22	470,000
November 26, 2022	$1.00	1.24	1,285,000
November 27, 2022	$1.00	1.24	99,218
November 30, 2022	$1.00	1.25	2,825,000
December 21, 2022	$1.00	1.31	50,000
January 22, 2023	$1.00	1.39	605,983
January 28, 2023	$1.30	1.41	425,585
February 25, 2023	$1.00	1.49	1,374,722
March 3, 2023	$1.30	1.50	327,962
June 8, 2023	$1.30	1.77	128,693
July 9, 2023	$1.30	1.85	356,922
July 13, 2023	$1.30	1.87	103,846
September 29, 2023	$0.20	2.08	10,155,500
		1.76	18,208,431

(Expressed in United States Dollars)

(d) Finders' Warrants

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

	Number of Finders' Warrants	**Weighted average exercise price**
		$ CAD
Balance, August 31, 2020	-	-
Issued	289,100	1.00
Assumed from Tracker	421,556	0.40
Balance, August 31, 2021	710,656	0.64

The finders' warrants were fair valued at $51,200 using the Black-Scholes option valuation model with the following weighted average assumptions: Share price at the time of issuance $0.50 CAD; Risk-free interest rate of 0.27%; Expected life of two years; Dividend rate – 0%; Forfeiture rate – 0% and Annualized volatility of 120%. Since the Company is not publicly trading at the time of issuance and have no history of trades, the Company utilized annualized volatility of comparable startup companies.

The following table summarizes the finders' warrants outstanding as at August 31, 2021:

Expiry date	**Exercise price $ CAD**	**Remaining contractual life (years)**	**Finders' Warrants Outstanding**
November 20, 2022	$1.00	1.22	22,400
November 26, 2022	$1.00	1.24	89,950
November 30, 2022	$1.00	1.25	176,750
January 28, 2023	$1.00	1.41	33,656
March 3, 2023	$1.00	1.50	19,600
June 8, 2023	$1.00	1.77	7,800
July 9, 2023	$1.00	1.85	44,800
September 29, 2023	$0.20	2.08	315,700
		1.67	710,656

(e) Performance warrants

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

	Number of Performance Warrants	**Weighted average exercise price**
		$ CAD
Balance, August 31, 2020	-	-
Issued	3,000,000	0.10
Balance, August 31, 2021	3,000,000	0.10

(Expressed in United States Dollars)

The following table summarizes the performance warrants outstanding as at August 31, 2021:

Expiry date	Exercise price $ CAD	Remaining contractual life (years)	Performance Warrants Outstanding
July 12, 2026	$0.10	4.87	3,000,000
		4.87	3,000,000

On July 12, 2021, the Company issued 3,000,000 performance warrants to Mr. Beck (Note 10) as follows:

1. Tier 1 Performance Warrants – 1,000,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at $0.10 CAD per share, (ii) expire five years from issuance and (iii) vest on the Company achieving $1,000,000 in cumulative revenues from operations;

2. Tier 2 Performance Warrants – 1,000,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at $0.10 CAD per share, (ii) expire five years from issuance and (iii) vest on the Company achieving $2,000,000 in cumulative revenues from operations; and
3. Tier 3 Performance Warrants – 1,000,000 Subordinate Voting Share purchase warrants, such warrants to (i) be exercisable at $0.10 CAD per share, (ii) expire five years from issuance and (iii) vest on the Company achieving $5,000,000 in cumulative revenues from operations

500,000 Tier 1, 500,000 Tier 2 and 500,000 Tier 3 Performance Warrants were assigned to other individuals on May 5, 2021. Subsequent to the year-ended August 31, 2021, the Company terminated the CVO Employment Agreement and 1,500,000 performance warrants issued to Mr. Beck were cancelled (Note 6).

(f) 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 July 19, 2021, the Company granted 4,200,000 stock options to employees and consultants of the Company exercisable at $0.58 CAD per share for a period of five years. These stock options vest over a period of three years from the date of grant. The fair value of the stock options of $1,582,863 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 - $0.58 CAD; risk free interest rate of 0.80%; expected life 5 years; expect volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%. Since the Company has limited history of trades, the Company utilized annualized volatility of comparable startup companies. During the year ended August 31, 2021, the Company recognized stock-based compensation of $417,075 (2020 - $Nil).

(Expressed in United States Dollars)

On August 9, 2021, the Company granted 40,000 stock options to an employee and consultant of the Company exercisable at $0.47 CAD per share for a period of three years. These stock options vest over a period of three years from the date of grant. The fair value of the stock options of $10,443 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 - $0.47 CAD; risk free interest rate of 0.67%; expected life 3 years; expect volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%. Since the Company has limited history of trades, the Company utilized annualized volatility of comparable startup companies. During the year ended August 31, 2021, the Company recognized stock-based compensation of $426 (2020 - $Nil).

	Number of Stock Options	**Weighted average exercise price**
		$ CAD
Balance, August 31, 2020	-	-
Granted	4,240,000	0.58
Cancelled	(637,500)	0.58
Balance, August 31, 2021	3,602,500	0.58

The following table summarizes the stock options outstanding and exercisable as at August 31, 2021:

Expiry date	**Exercise price $ CAD**	**Remaining contractual life (years)**	**Stock Options Outstanding**	**Stock Options Exercisable**
July 19, 2026	$0.58	4.89	3,562,500	612,500
August 12, 2024	$0.47	2.94	40,000	-
		4.86	3,602,500	612,500

(g) Restricted share unit plan

The Company's restricted share unit ("RSU") plan provides for the issuance of Class A Subordinate Voting Shares upon the exercise of vested RSUs at no additional compensation. The RSUs have vesting conditions determined by the Board of Directors.

Information regarding the Company's outstanding RSUs is summarized below:

	Number
Balance, August 31, 2020	-
Granted	7,330,000
Vested and issued as shares	(1,076,250)
Balance, August 31, 2021	6,253,750

During the year ended August 31, 2021, the Company granted 5,500,000 RSUs pursuant to the Transaction (Note 10) and 1,830,000 RSUs to a director, officers and consultants. During the year ended August 31, 2021, the Company recognized stock-based compensation of $411,934 (2020 - $Nil) related to the RSUs granted and vested. Upon the issuance of shares for the RSUs vested, $468,773 (2020 - $Nil) was reallocated from contributed surplus to share capital.

(Expressed in United States Dollars)

NOTE 8. FINANCIAL INSTRUMENTS AND RISKS

Fair values

The Company's financial instruments include cash, accounts receivable, due to related parties, accounts payable and accrued liabilities, convertible loans, derivative liability, notes payable, convertible note, and lease 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 date.

As at August 31, 2021, the Company measured the derivative liability at Level 3 inputs as it uses a combination of observable and unobservable other than quoted prices in calculating fair value. As at August 31, 2020, the Company did not recognize any financial assets or liabilities at their fair value. There were no transfers between levels during either periods.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. To minimize the credit risk, the Company places cash with financial institutions. The carrying value of accounts receivable is the Company's maximum exposure to credit risk as at August 31, 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.

Contractual cash flow requirements as at August 31, 2021 were as follows:

	< 1 year	**1 - 2 years**	**2 - 5 years**	**>5 years**	**Total**
	$	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities	2,562,992	-	-	-	2,562,992
Leases	34,542	-	-	-	34,542
Convertible debentures	4,724,775	-	-	-	4,724,775
Total	7,332,309	-	-	-	7,332,309

As at August 31, 2021 the Company had a working capital deficiency of $6,779,053. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

NOTE 9. 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' 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 year ended August 31, 2021.

NOTE 10. SHARE EXCHANGE

Contakt Share Exchange

On October 9, 2020, Contakt executed a share exchange agreement with Contakt LLC and the membership interest holders of Contakt LLC. On October 9, 2020, the membership interest holders exchanged their membership interests in Contakt LLC for common shares of Contakt on a 1:1 basis and in proportion to the members' holdings in the Contakt LLC. In this exchange, 100% of Contakt LLC's membership interests, or 20,000,000, were exchanged for 20,000,000 common shares of Contakt. The transaction was treated as a common ownership exchange and was accounted for on a historical cost basis as a common control transaction as if the transaction occurred on the first day of the earliest comparative period presented. At the conclusion of the Share Exchange, the former holders of Contakt LLC membership interests held 100% of Contakt's common shares, except for the de minimis 100 common shares already outstanding in Contakt that was issued at formation.

Tracker Amalgamation Agreement

On December 3, 2020, Contakt entered into an amalgamation agreement (the "Tracker Amalgamation Agreement") with Contakt LLC, 1276313 B.C. Ltd., a newly incorporated wholly-owned subsidiary of Tracker ("Tracker Subco"), and the shareholders of Contakt on this date (the "Founding Contakt Shareholders").

The Amalgamation Agreement provided for the amalgamation of Tracker Subco and Contakt, to form 1315006 B.C. Ltd. (the "Transaction") and, among other things:

(i) the Founding Contakt Shareholders exchanging their common shares in Contakt for an aggregate of 17,160,364 Class A Subordinate Voting Shares of Tracker and 100,497 Class B Super Voting Shares of Tracker;

(ii) the Non-Founding Contakt Shareholders exchanging their common shares in Contakt for Subordinate Voting Shares of Tracker on a 1:1 basis;

(iii) common share purchase warrants of Contakt being exchanged for warrants of Tracker having equivalent terms on a 1:1 basis;

(iv) Tracker issuing 5,500,000 RSUs on closing to consultants, such RSUs to vest on a quarterly basis over the 21 months following the Transaction;

(v) Tracker issuing Performance Warrants to Justin Beck pursuant to the CVO Employment Agreement.

(Expressed in United States Dollars)

(vi) Tracker agreeing to issue additional Performance Warrants to Justin Beck on achievement of a Cross-listing Transaction.

The vesting of the performance warrants was deemed improbable and, as a result, no fair value was allocated to the performance warrants (Note 7).

Subsequent to the year-ended August 31, 2021, the Company terminated the CVO Employment Agreement and all performance warrants issued to Mr. Beck were cancelled (Note 6).

Upon closing of the transaction, the shareholders of Contakt had control of the combined entity. The substance of the transaction was a reverse takeover of the non-operating company and the transaction does not constitute a business combination as Tracker does not meet the definition of a business under IFRS 3. Tracker was acquired for its public listing. As a result, the transaction was recorded by the Company as a reverse takeover that was not a business combination with the recognition of a listing expense which represented the difference between the fair value of consideration Contakt paid and the fair value of Tracker's net assets.

The operating results have been recognized in the consolidated statement of operations and comprehensive loss beginning on July 12, 2021, the effective date of obtaining control. During the period from July 12, 2021 to August 31, 2021 the Company recorded a net loss of $7,074,847 related to the operations of Tracker.

On July 12, 2021, the Company completed the transaction.

		Amount
Purchase consideration		
19,683,649 notional common shares of Contakt at $0.50	$	7,892,159
Fair value of 12,079,564 warrants assumed		3,545,200
Fair value of 5,500,000 RSUs issued to finders		1,378,108
Total		12,815,467
Fair value of assets acquired and liabilities assumed		
Cash		307,540
Accounts receivable		108,256
Prepaid expenses and other current assets		51,789
Due from Tracker		1,300,513
Accounts payable and accrued liabilities		(326,775)
Total identifiable net assets acquired		1,441,323
Allocated to listing expense	$	11,374,144

Loan Agreement

Refer to Note 5 for details on the loan agreement.

(Expressed in United States Dollars)

NOTE 11. BUSINESS ACQUISITION

On August 12, 2021, the Company completed the acquisition of Stratum Health Solutions, LLC ("Stratum") from RTAE Holdings LLC ("RTAE"), which operates HealthCheck by Stratum™ ("HealthCheck"), an encrypted wellness tracking and analytics tool. The acquisition of Stratum expands the Company's opportunities in the health security business. In connection with the acquisition, the Company issued 3,523,933 Class A Subordinate Voting Shares ("Contakt Shares") and a convertible note for $4,155,000 (the "Note"). In addition, RTAE is eligible to receive earn-out payments at 12 and 24 months according to certain revenue milestones set forth in the agreement. The first earn-out payment is satisfied if total revenue for the first year exceeds $1,846,154 and is in the form of $840,000 cash and shares valued at $360,000. The second earn-out payment is satisfied if total revenue for the second year exceeds $3,690,308 and is in the form of $840,000 cash and shares valued at $360,000. The revenue targets were deemed unlikely to be met and the contingent consideration was given a value of $Nil.

The acquisition of Stratum was accounted for as a business combination, in which the assets acquired and the liabilities assumed are recorded at their estimated fair values.

The operating results have been recognized in the consolidated statement of operations and comprehensive loss beginning on August 12, 2021, the effective date of obtaining control. During the period from August 12 to August 31, 2021 the Company recorded revenue of $62,521 and a net income of $62,521 related to the operations of Stratum.

The allocation of the purchase consideration is as follows:

		Amount
Purchase consideration		
3,523,933 Class A Subordinate Voting Shares	$	1,325,000
Convertible note with embedded derivative liability (Note 12)		4,155,000
Cash advances		120,000
Total		5,600,000
Fair value of assets acquired and liabilities assumed		
Accounts receivable		42,188
Accounts payable and accrued liabilities		(257,038)
Total identifiable net liabilities assumed		(214,850)
Goodwill		5,814,850
Total	$	5,600,000

At August 31, 2021, the Company recorded an impairment loss of $5,814,850 related to its acquisition of Stratum.

Cash advances in the aggregate amount of $100,000 was paid subsequent to the year-end.

(Expressed in United States Dollars)

NOTE 12. CONVERTIBLE LOANS AND DERIVATIVE LIABILITY

Pursuant to the acquisition of Stratum, the Company issued a convertible note in the amount of $4,155,000 (“the Note”) (Note 11) maturing on August 12, 2022. The Note bears interest at 3.5% per annum and is convertible at the Company’s or RTAE’s option after 6 months into Contakt Shares at a conversion price equal to a 20% discount to the 20 day volume-weighted-average closing price of Contakt Shares, subject to a minimum conversion price of $0.65 CAD. Assuming conversion, RTAE can only liquidate up to 1/6 the value of the Note in each 30 day period. The Note is secured against the membership interests of Stratum and the source code of HealthCheck. During the year ended August 31, 2021, the Company accrued interest of $62,217 (2020 - $Nil).

In connection with the acquisition of Stratum, the Company also issued two convertible notes in the aggregate amount of $410,000 as finders’ fees with the same terms as the Note.

Due to the variability in the number of shares issuable under the convertible note, the Company has allocated the convertible note between the fair value of the note conversion feature, which is considered an embedded derivative liability, and the value of the loan liability. The value of the note conversion feature of $1,182,000 was determined using the Black-Scholes option pricing model as at the loan date and the residual amount was allocated to the loan liability. The following assumptions were used to estimate the fair value of the note conversion feature: Market price of shares - $0.465 CAD; risk free interest rate of 0.44%; expected life 1 year; expect volatility of 120%; expected dividend yield of 0% and forfeiture rate of 0%.

	Convertible Loan	**Derivative Liability**
	$	$
Balance, August 31, 2020	-	-
Issued	4,565,000	-
Embedded derivative liability	(1,182,000)	1,182,000
Interest expense	62,217	-
Gain on remeasurement of derivative liability	-	(240,681)
Foreign exchange translation adjustment	(7,190)	(9,299)
Balance, August 31, 2021	3,438,027	932,020

(Expressed in United States Dollars)

NOTE 13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	August 31, 2021	August 31, 2020
	$	$
Interest paid	2,164	-
Taxes paid	-	-
Non-cash investing and financing activities		
Fair value of shares issued to Tracker on reverse takeover	7,892,159	-
Fair value of finders' warrants	51,200	-
Fair value of shares issued for debt settlement	117,133	-
Fair value of warrants issued for debt settlement	54,472	-
Right-of-use assets acquired via lease liabilities	56,194	-
Fair value of warrants of Tracker on RTO date	3,545,200	-
Fair value of derivative liability of Contakt warrants on conversion to Tracker warrants	965,175	-
Fair value of RSU's issued to finders of RTO	1,378,108	-
Fair value of shares issued for Stratum acquisition	1,325,000	-

Change in liabilities from financing activities:

			Non-cash changes					
	August 31, 2020	**Cash Flows**	**Acquisitions**	**Settlement by shares**	**Accretion**	**Embedded derivative**	**Foreign exchange movements**	**August 31, 2021**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Due to related parties	13,214	55,071	-	(13,214)	-	-	-	55,071
Notes payable	69,192	1,231,321		(1,300,513)				-
Convertible loans	-	-	4,565,000	-	62,217	(1,182,000)	(7,190)	3,438,027
Lease liabilities	-	(30,500)	56,194	-	5,541	-	-	31,235
Total	13,214	1,255,892	4,621,194	(13,214)	67,758	(1,182,000)	(7,190)	3,524,333

			Non-cash changes					
	August 31, 2019	**Cash Flows**	**Acquisitions**	**Settlement by shares**	**Accretion**	**Embedded derivative**	**Foreign exchange movements**	**August 31, 2020**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Due to related parties	-	13,214	-	-	-	-	-	13,214
Notes payable	-	69,192	-	-	-	-	-	69,192
Total	-	82,406	-	-	-	-	-	82,406

(Expressed in United States Dollars)

NOTE 14. SEGMENTED INFORMATION

The asset and operations of the Company are located in Canada and United States.

		Canada		United States		Total
Year ended August 31, 2021						
Net loss	$	(19,643,919)	$	(4,572,317)	$	(24,216,236)
As at August 31, 2021						
Current assets	$	106,526	$	133,806	$	240,332
Non-current assets	$	-	$	31,598	$	31,598
Total liabilities	$	4,731,288	$	2,288,097	$	7,019,385

		Canada		United States		Total
Year ended August 31, 2020						
Net loss	$	-	$	(90,565)	$	(90,565)
As at August 31, 2020						
Current assets	$	-	$	22,590	$	22,590
Non-current assets	$	-	$	3,500	$	3,500
Total liabilities	$	-	$	107,655	$	107,655

NOTE 15. INCOME TAXES

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

		August 31, 2021		August 31, 2020
Loss from continuing operations before tax	$	(24,216,236)	$	(90,565)
Income tax recovery at local statutory rates – 27% (2020 – 27.00%)	$	(6,538,000)	$	-
Permanent differences		5,133,000		-
Effect of tax rate change and effect of tax rate in different jurisdictions		(4,000)		-
Change in unrecognized tax benefits not recognized		1,409,000		-
	$	-	$	-

(Expressed in United States Dollars)

The nature and tax effect of the taxable temporary differences giving rise to deferred tax assets are summarized as follows:

	August 31, 2021	**August 31, 2020**
Non-capital losses	$ 3,449,000	$ -
Capital loss	37,000	-
Undeducted financing costs	45,000	-
Convertible loans	(41,000)	
Research and development costs	21,000	-
Right-of-use assets, net of lease liabilities	1,000	-
Unrecognized deferred tax assets	(3,512,000)	-
	$ -	$ -

The Company has unrecognized deferred tax liabilities of approximately $1,658,000 as a result of the Transaction during the year ended August 31, 2021.

As at August 31, 2021, the Company has non-capital loss carry-forwards of approximately $5,914,000 available for offset against future taxable income, if not utilized, will start to expire in 2027. Deferred tax assets have not been recognized in respect of these items because there is no objective evidence that it is probable that the Company will generate sufficient taxable income to utilize tax losses and other deductible items.

Should the Company demonstrate an ability to earn sufficient taxable income in the future, some deferred tax benefit may be recognized.

In assessing the likelihood of realization of deferred tax assets, management considers whether it is probable that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the deferred tax asset considered realizable could change materially in the near term based on future taxable income the carry forward period.

NOTE 16. SUBSEQUENT EVENTS

On September 15, 2021, the Company issued 79,000 Class A Subordinate Voting Shares pursuant to the exercise of 79,000 warrants at a price of $0.20 CAD for total proceeds of $15,800 CAD.

On September 22, 2021, the Company granted 50,000 stock options to consultants of the Company exercisable at $0.34 CAD per share for a period of five years. These stock options vest 12.5% quarterly beginning December 31, 2021.

On September 28, 2021, the Company received $42,250 CAD in share subscription included in accounts receivable at August 31, 2021.

On October 6, 2021, the Company granted 50,000 stock options to a consultant of the Company exercisable at $0.28 CAD per share for a period of five years. One-third of these options vest on October 6, 2022 and 1,388 stock options vest on the last day of the month from November 30, 2022 to October 30, 2024.

On October 29, 2021, the Company issued 34,400 Class A Subordinate Voting Shares to settle accounts payable of $11,822 CAD.

On November 5, 2021, the Company received an unsecured loan of $70,000 bearing interest at 9% per annum due on November 5, 2022.

On January 20, 2022, the Company granted 1,650,000 stock options to a director and consultants of the Company exercisable at $0.135 CAD per share for a period of five years. These options vest as follows: 25% on the date of grant and 25% quarterly.

On January 19, 2022, the Company issued 2,387,400 Class A Subordinate Voting Shares upon conversion of 23,874 Class B Super Voting Shares.

On February 17, 2022, the Company issued 2,000,000 units at a price of $0.075 CAD per unit for total proceeds of $150,000 CAD. Each unit consists of one Class A Subordinate Voting Share and one share purchase warrant, with each warrant exercisable into one Class A Subordinate Voting Share at a price of $0.15 CAD per share expiring two years from the date of issuance. The Company also settled $124,500 CAD in debt through the issuance of 1,659,998 units under the same terms.

On February 18, 2022, the Company settle a debt of $18,750 by granting 176,388 stock options to a consultant exercisable at $0.135 CAD per share for a period of five years. These options vest as follows: 25% on the date of grant and 25% every 6 months.

From September 1, 2021 to March 11, 2022, the Company issued 1,975,000 Class A Subordinate Voting Shares related to the vesting of RSUs.

From September 1, 2021 to March 11, 2022, a total of 1,350,000 stock options and 646,250 RSUs were cancelled and 50,000 stock options were forfeited.