
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report _____

For the transition period from _____ to _____

Commission file number 000-55103

TOWER ONE WIRELESS CORP.

(Exact name of registrant as specified in its charter)

N/A

(Translation of registrant's name into English)

British Columbia, Canada

(Jurisdiction of incorporation or organization)

600-535 Howe Street, Vancouver, BC V6C 2Z4 Canada
(Address of principal executive offices)

Alejandro Ochoa
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600-535 Howe Street, Vancouver, BC
V6C 2Z4 Canada

Tel: 917-546-3016

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(Name, Telephone, E-Mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

NONE

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Title of each class:
CLASS A COMMON SHARES,
NO PAR VALUE

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

NONE

Indicate the number of outstanding shares of each of the Company's classes of capital or common stock as of the close of the period covered by the annual report: 100,473,582 Class A Common Shares, no par value as of December 31, 2021.

Indicate by check mark if the registrant is a well-known seasoned Company, as defined in Rule 405 of the Securities Act.

YES NO

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

- U.S. GAAP
- International Financial Reporting Standards as issued by the International Accounting Standards Board
- Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

- Item 17 Item 18

If this is an annual report indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

- YES NO

Under the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), Tower One Wireless Corp. is classified as an "Emerging Growth Company." Under the JOBS Act, Emerging Growth Companies are exempt from certain reporting requirements, including the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act. Under this exemption, the company's auditor will not be required to attest to and report on management's assessment of the company's internal controls over financial reporting. The company is also exempt from certain other requirements, including the requirement to adopt certain new or revised accounting standards until such time as those standards would apply to private companies. The company will remain an Emerging Growth Company for up to the last day of the fiscal year following the fifth anniversary of the date of the first sale of common equity securities pursuant to an effective registration statement under the Securities Act of 1933, although it will lose that status earlier if revenues exceed US\$1 billion, or if the company issues more than US\$1 billion in non-convertible debt in a three year period, or the company will lose that status on the date that it is deemed to be a large accelerated filer.

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Part I

References in this Annual Report on Form 20-F to “we,” “our” and the “Company” refer to Tower One Wireless Corp. and its predecessor, as applicable, individually and collectively with its subsidiaries as the context requires.

Brief Introduction

We are incorporated under the *Business Corporations Act* (British Columbia) on September 12, 2005. We are a reporting company in both British Columbia and Ontario, and our common shares are listed for trading on the Canadian Securities Exchange (“CSE”).

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable

Item 3. Key Information

A. Selected financial data

The following selected information should be read in conjunction with the Company’s consolidated financial statements, and notes, filed with this Form 20-F. This information, and all other financial information in this Form 20-F, is stated in Canadian dollars unless otherwise noted.

The financial information is presented on the basis of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Period ended	FYE 2021 (IFRS)	FYE 2020 (IFRS)	FYE 2019 (IFRS)
Total Revenues	\$10,687,626	\$9,126,082	\$5,413,594
Net income(loss)	(\$4,594,288)	(\$3,674,304)	(\$8,147,268)
Net income(loss) attributable to shareholders	(\$4,185,480)	(\$2,364,633)	(\$4,977,237)
Net income (loss) and Comprehensive Loss	(\$3,454,371)	(\$3,165,858)	(\$8,474,964)
Basic and diluted loss per share	(\$0.05)	(\$0.05)	(\$0.13)
Weighted average shares	97,423,247	93,867,588	63,389,446

Year ended	FYE 2021 (IFRS)	FYE 2020 (IFRS)	FYE 2019 (IFRS)
Total assets	\$21,886,971	\$11,109,460	\$16,001,049
Net Assets(liabilities)	(\$14,798,215)	(\$11,443,589)	(\$8,302,017)
Share capital	\$17,481,406	\$16,900,668	\$16,876,382
Contributed surplus	\$1,678,992	\$1,706,089	\$2,303,721
Deficit accumulated	(\$32,247,379)	(\$25,352,460)	(\$23,585,459)
Common Shares Issued and Outstanding	100,473,582	94,103,732	93,389,446
Dividends	\$Nil	\$Nil	\$Nil

Currency

The following table sets out exchange rates, based on the noon buying rates in New York City, for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York, referred to as the "Noon Buying Rate", for the conversion of dollars to Canadian dollars in effect at the end of the following periods, the average exchange rates during these periods (based on daily Noon Buying Rates) and the range of high and low exchange rates for the periods indicated:

	Years Ended December 31,		
	2021	2020	2019
End of period	0.7827	0.7822	0.7699
High for period	0.8312	0.7822	0.7332
Low for period	0.7727	0.7084	0.7699
Average for period	0.7981	0.7462	0.7537

On April 29, 2022, the most recent weekly publication of the Noon Buying Rate before the date of this Form 20-F reported that, as of April 29, 2022, the Noon Buying Rate for the conversion of dollars to Canadian dollars was \$0.7811 per Canadian dollar.

B. Capitalization and indebtedness.

Not Applicable.

C. Reasons for the offer and use of proceeds.

Not Applicable.

D. Forward-Looking Statement and Risk factors.

Forward-Looking Statements

This Form 20-F and the documents incorporated herein by reference contain forward-looking statements. We base these forward-looking statements on our expectations and projections about future events, which we derive from the information currently available to us. Such forward-looking statements relate to future events or our future performance. You can identify forward-looking statements by those that are not historical in nature, particularly those that use terminology such as "may," "will," "should," "expects," "anticipates," "contemplates," "estimates," "believes," "plans," "projected," "predicts," "potential" or "continue" or the negative of these or similar terms.

In evaluating these forward-looking statements, you should consider the following factors, as well as those described in "Risk Factors" below:

- changes to existing or new tax laws or methodologies impacting the Company's international operations, fees directed specifically at the ownership and operation of communications sites or international acquisitions, any of which may be applied or enforced retroactively, or failure to obtain an expected tax status for which the Company has applied;
- laws or regulations that tax or otherwise restrict repatriation of earnings or other funds or otherwise limit distributions of capital;
- changes in a specific country's or region's political or economic conditions, including inflation or currency devaluation;
- changes to zoning regulations or construction laws, which could be applied retroactively to existing communications sites;
- expropriation or governmental regulation restricting foreign ownership or requiring reversion or divestiture;
- actions restricting or revoking the Company's customers' spectrum licenses or suspending or terminating business under prior licenses;
- failure to comply with anti-bribery laws or similar local anti-bribery laws;
- material site security issues;
- significant increase in or implementation of new license surcharges on the Company's revenue;
- price setting or other similar laws or regulations for the sharing of passive infrastructure;
- uncertain or inconsistent laws, regulations, rulings or results from legal or judicial systems, which may be enforced retroactively, and delays in the judicial process; and
- changes in foreign currency exchange rates, including those arising from the Company's operations, investments and

financing transactions related to its international business.

These and other factors may cause our actual results to differ materially from any forward-looking statement. Forward-looking statements are only predictions. The forward-looking events discussed in this Form 20-F and the documents incorporated by reference herein may not occur, and actual events and results may differ materially and are subject to risks, uncertainties and assumptions about us. Unless required by applicable law, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Risk Factors

An investment in the Common Shares of the Company must be considered highly speculative due to the nature of the Company's business. The risk and uncertainties below are not the only risks and uncertainties the Company may have. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair the business, operations and future prospects of the Company and cause the price of the Common Shares to decline. If any of the following risks actually occur, the business of the Company may be harmed and its financial condition and results of operations may suffer significantly. In addition to the risks described elsewhere and the other information in this Form 20-F, the Company notes the following risk factors:

Company Risks

The Company enters into 10-year non-cancelable contracts with its customers which agreement contain inflation escalators provisions, however, the Company's business depends on the demand for wireless communication services and wireless infrastructure, and it may be adversely affected by any slowdown in such demand. Additionally, a reduction in carrier network investment may materially and adversely affect the Company's business (including reducing demand for new tenant additions or network services).

The Company enters into 10-year non-cancelable contracts with its customers which agreements contain inflation escalator provisions, however, demand for the Company's wireless infrastructure depends on the demand for antenna space from its customers, which, in turn, depends on the demand for wireless communication services by their customers. The willingness of the Company's customers to utilize its wireless infrastructure, or renew or extend existing leases on its wireless infrastructure, is affected by numerous factors, including:

- consumer demand for wireless connectivity;
- availability or capacity of wireless infrastructure or associated land interests;
- location of wireless infrastructure;
- financial condition of customers, including their profitability and availability or cost of capital;
- willingness of customers to maintain or increase their network investment or changes in their capital allocation strategy;
- availability and cost of spectrum for commercial use;
- increased use of network sharing, roaming, joint development, or resale agreements by customers;
- mergers or consolidations among customers;
- changes in, or success of, customers' business models;
- governmental regulations, including local or state restrictions on the proliferation of wireless infrastructure;
- cost of constructing wireless infrastructure;
- technological changes, including those (1) affecting the number or type of wireless infrastructure needed to provide wireless connectivity to a given geographic area or which may otherwise serve as substitute or alternative to wireless infrastructure or (2) resulting in the obsolescence or decommissioning of certain existing wireless networks; or
- the ability to efficiently satisfy customers' service requirements.

A slowdown in demand for wireless connectivity or wireless infrastructure may negatively impact the Company's growth or otherwise have a material adverse effect on the Company. If the Company's customers or potential customers are unable to raise adequate capital to fund their business plans, as a result of disruptions in the financial and credit markets or otherwise, they may reduce their spending, which could adversely affect the Company's anticipated growth or the demand for the Company's wireless infrastructure or network services. The amount, timing, and mix of the Company's customers' network investment is variable and can be significantly impacted by the various matters described in these risk factors. Changes in carrier network investment typically impact the demand for its wireless infrastructure. As a result, changes in carrier plans such as delays in the implementation of new systems, new technologies (including small cells), or plans to expand coverage or capacity may reduce demand for its wireless infrastructure. Furthermore, the wireless industry could experience a slowdown or slowing growth rates as a result of numerous factors, including a reduction in consumer demand for wireless connectivity or general economic conditions. There can be no assurances that weakness or uncertainty in the economic environment will not adversely impact the wireless industry, which may materially and adversely affect the Company's business, including by

reducing demand for its wireless infrastructure or network services. In addition, a slowdown may increase competition for site rental customers or network services. A wireless industry slowdown or a reduction in carrier network investment may materially and adversely affect the Company's business.

New technologies may reduce demand for wireless infrastructure or negatively impact revenues.

Improvements in the efficiency, architecture, and design of wireless networks may reduce the demand for the Company's wireless infrastructure. For example, new technologies that may promote network sharing, joint development, or resale agreements by its customers, such as signal combining technologies or network functions virtualization, may reduce the need for the Company's wireless infrastructure. In addition, other technologies, such as WiFi, DAS, femtocells, other small cells, or satellite (such as low earth orbiting) and mesh transmission systems may, in the future, serve as substitutes for, or alternatives to, leasing that might otherwise be anticipated or expected on wireless infrastructure had such technologies not existed. In addition, new technologies that enhance the range, efficiency, and capacity of wireless equipment could reduce demand for the Company's wireless infrastructure. Any significant reduction in demand for the Company's wireless infrastructure resulting from the new technologies may negatively impact the Company's revenues or otherwise have a material adverse effect on the Company.

The expansion or development of the Company's business, including through acquisitions, increased product offerings or other strategic growth opportunities, may cause disruptions in the Company's business, which may have an adverse effect on the Company's operations or financial results.

The Company may seek to expand and develop its business, including through acquisitions, increased product offerings, or other strategic growth opportunities. In the ordinary course of business, the Company may review, analyze, and evaluate various potential transactions or other activities in which it may engage. Such transactions or activities could cause disruptions in, increase risk or otherwise negatively impact its business. Among other things, such transactions and activities may:

- disrupt the Company's business relationships with its customers, depending on the nature of or counterparty to such transactions and activities;
- direct the time or attention of management away from other business operations;
- fail to achieve revenue or margin targets, operational synergies or other benefits contemplated;
- increase operational risk or volatility in the Company's business; or
- result in current or prospective employees experiencing uncertainty about their future roles with the Company, which might adversely affect the Company's ability to retain or attract key managers or other employees.

If the Company fails to retain rights to its wireless infrastructure, including the land interests, the Company's business may be adversely affected. The property interests on which the Company's wireless infrastructure resides, including the land interests under its towers, consist of leasehold interests. A loss of these interests may interfere with the Company's ability to conduct its business or generate revenues. For various reasons, the Company may not always have the ability to access, analyze, or verify all information regarding titles or other issues prior to purchasing wireless infrastructure. Further, the Company may not be able to renew ground leases on commercially viable terms. The Company's ability to retain rights to the land interests on which its towers reside depends on its ability to purchase such land, including fee interests and perpetual easements, or renegotiate or extend the terms of the leases relating to such land. If the Company is unable to retain rights to the property interests on which its wireless infrastructure resides, its business may be adversely affected.

Political, economic and other uncertainties in countries where the Company operates could negatively affect the company's business

The Company's business operations are currently located in United States, Colombia, Ecuador and Mexico. Although Colombia has a long-standing tradition of respecting the rule of law, which has been bolstered in recent years by the present government's policies and programs, no assurance can be given that our plans and operations will not be adversely affected by future developments in Colombia. The Company's existing assets and proposed activities in Colombia are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions, changing political conditions, and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important facilities such as communications could have a significant effect on the Company. Any changes in regulations or shifts in political attitudes are beyond the Company's control and may adversely affect its business. The Company's business may be affected in varying degrees by government regulations with respect to restrictions on future expansion, price controls, export controls, foreign exchange controls, earnings repatriation, income and/or business taxes or expropriations.

In particular, operating in Colombia, Ecuador and Mexico presents the following unique risks to the Company's business and

operations:

Legal System

As civil law jurisdictions, each of Colombia, Ecuador and Mexico have legal systems that are different from the common law jurisdictions of Canada and the United States. There can be no assurance that licenses, permits, applications or other legal arrangements will not be adversely affected by changes in governments, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements.

Permits and Licenses

The Company's business activities in Colombia, Mexico and Ecuador are each dependent on receipt of government approvals or permits to develop its business. Any delays in receiving government approvals or permits or no objection certificates may delay the Company's operations or may affect the status of the Company's contractual arrangements or its ability to meet its contractual obligations.

Repatriation of Earnings

Currently there are no restrictions on the repatriation from Colombia, Ecuador and Mexico of capital and distribution of earnings from Colombia, Ecuador and Mexico to foreign entities. However, there can be no assurance that restrictions on repatriation of capital or distributions of earnings from Colombia, Ecuador or Mexico will not be imposed in the future.

Foreign Currency Fluctuations

The Company's current and proposed business operations in United States, Colombia, Mexico and Ecuador render it subject to foreign currency fluctuations, which may materially affect its financial position. The Company holds Canadian and U.S. dollars and sends funds to Colombia, Mexico or Ecuador in U.S. dollars, which in Colombia and Mexico are then converted into Colombian pesos, or Mexican pesos, as applicable. The important exchange rates for the Company are those for the U.S. dollar, Canadian dollar, Colombian peso, and Mexican peso. While the Company is funding operations in the United States, Colombia, Mexico and Ecuador, its results could be impaired by adverse changes in the U.S. dollar and Canadian dollar relative to each of the U.S. dollar, Colombian peso and Mexican peso. Prior and future equity financings result in the generation of Canadian dollar proceeds to fund the Company's activities, which are mostly incurred in U.S. dollars, Colombian pesos, and Mexican pesos. To the extent funds from such financings are maintained in Canadian dollars, the Company's results can be significantly impacted by adverse changes in exchange rates between the Canadian dollar, the U.S. dollar, the Mexican peso, and the Colombian peso. However, the Company seeks to minimize the risk of foreign currency fluctuations by aligning the majority of its debt financing activities to match it's the currency of its contracts in each applicable jurisdiction.

The Company's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Company's operations in Colombia, Mexico and Ecuador, the Company may be subject to the exclusive jurisdiction of foreign courts or tribunals, or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental body because of the doctrine of sovereign immunity.

Economic and legal conditions in Ecuador remain uncertain which may affect our financial condition, results of operations and cash flows.

Although general economic conditions have shown improvement in the last decade in Ecuador, the nature of the changes in the Ecuadorian political, economic and legal environment over the past several years has given rise to uncertainties about the country's business environment.

Ecuador's economy may contract in the future due to international and domestic conditions which may adversely affect our operations.

The effects of the global economic and financial crisis in recent years and the general weakness in the global economy may negatively affect emerging economies like Ecuador's. Global financial instability may impact the Ecuador economy and cause a slowdown in Ecuador's growth rate or could lead to a recession with consequences in the trade and fiscal balances and in the unemployment level.

Abrupt changes in monetary and fiscal policies or foreign exchange regime could rapidly affect local economic output, while lack of appropriate levels of investment in certain economy sectors could reduce long-term growth. Access to the

international financial markets could be limited. Consequently, an increase in public spending not correlated with an increase in public revenues could affect the Ecuador's fiscal results and generate uncertainties that might affect the economy's level of growth.

Deterioration in economic and market conditions in Latin America, Ecuador and other emerging market countries could affect the prices of our Common Shares.

Although economic conditions are different in each country, the reaction of investors to developments in one country is likely to cause the capital markets in other countries to fluctuate. For example, political and economic events in Latin America may influence investors' perceptions of risk with regard to Ecuador. Economic, commercial, and investment policies are subject to frequent changes and can increase the risks and costs of doing business in Ecuador. Investor reaction to future developments in Latin America, particularly in our neighboring countries, may adversely affect the market for securities issued by countries in the region, cause foreign investors to decrease the flow of capital into Latin America and introduce uncertainty about plans for further integration of regional economies.

Security and guerrilla activity in Colombia could negatively impact the Company's business

Colombia has had a publicized history of security problems associated with certain narcotics crime organizations and other terrorist groups. A 40-year armed conflict between the government forces of Colombia and anti-government insurgent groups and illegal paramilitary groups, both thought to be funded by the drug trade, continues in Colombia. Insurgents continue to attack civilians and violent guerrilla activity continues in many parts of the country.

There have been peace negotiations between the government and the Fuerzas Armadas Revolucionarias de Colombia (FARC) guerrillas for many years. A recent settlement has been reached to end the conflict, which is intended to bring further institutional strengthening and development, particularly to rural regions. The government's biggest challenge is to maintain a lasting peace and that demobilized members of the FARC rejoin civilian life, rather than regrouping in criminal bands. Following the establishment of the Colombian Peace Agreements, the FARC has become a Colombian political party and, most recently, the Biden Administration has removed the FARC from the list of foreign terrorist organizations.

Continuing attempts to reduce or prevent guerrilla activity may disrupt the Company's operations in the future. The Company may not be able to establish or maintain the safety of its operations and personnel in Colombia and this violence may affect its operations in the future. Any increase in kidnapping and/or terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved in the Company's operations. Additionally, the perception that matters have not improved in Colombia may hinder the Company's ability to access capital in a timely or cost effective manner.

Social Disruptions and Instability in Colombia could disrupt the Company's Operations

Generally, companies operating in the telecommunications industry in Colombia have experienced various degrees of interruptions to their operations as a result of social instability. This uncertainty may affect operations in unpredictable ways, including disruptions of access of the Company's operators to the Company's towers. There can be no assurance that the Company will be successful in protecting itself against these risks and the related financial consequences. Further, these risks may not in any part be insurable in the event the Company does suffer damage.

Political Risk, Social Disruptions and Instability in Mexico

The Company does much of its business in Mexico. As such, the Company is subject to certain risks specific to doing business in Mexico, including currency fluctuations and possible political, social or economic instability. Further, the Company's activities may be affected in varying degrees by political stability and government regulations relating to the industry in which it operates. Operating in Mexico exposes the Company to various levels of political, economic and other risks and uncertainties which could result in work stoppages, blockades of the Company's business activities and appropriation of assets. Some of the Company's assets may be located in areas where Mexican drug cartels operate. These risks and uncertainties vary from region to region and include, but are not limited to, terrorism; hostage taking; local drug gang activities; military repression; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labor unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. The Company cannot provide assurances that this type of social instability or labor disruption will not be experienced in future. The potential impact of future social instability, labor disruptions and any lack of public order in Mexico, and on the Company's operations in particular, is not known at this time. This uncertainty may affect operations in unpredictable ways, including disruptions of supplies and markets, ability to move equipment from site to site, or disruption of infrastructure facilities, including public roads, could be targets or experience

collateral damage as a result of social instability, labor disputes or protests. The Company may be required to incur significant costs in the future to safeguard the Company's assets against such activities, incur standby charges on stranded or idled equipment or to remediate potential damage to the Company's assets. There can be no assurance that the Company will be successful in protecting itself against these risks and the related financial consequences. Further, these risks may not in any part be insurable in the event the Company does suffer damage.

The application of anti-bribery or corruption laws could impact the Company's operations

The Company's operations are governed by the laws of many jurisdictions, which generally prohibit bribery and other forms of corruption. It is possible that the Company, or some of its subsidiaries, employees or contractors, could be charged with bribery or corruption as a result of the unauthorized actions of its employees or contractors. If the Company is found guilty of such a violation, which could include a failure to take effective steps to prevent or address corruption by its employees or contractors, the Company could be subject to onerous penalties and reputational damage. A mere investigation itself could lead to significant corporate disruption, high legal costs and forced settlements (such as the imposition of an internal monitor). In addition, bribery allegations and corruption convictions could impair the Company's ability to work with governments or nongovernmental organizations. Such convictions or allegations could result in the formal exclusion of the Company from a country or area, national or international lawsuits, government sanctions or fines, project suspension or delays, reduced market capitalization and increased investor concern.

If the Company fails to comply with laws or regulations which regulate its business and which may change at any time, the Company may be fined or even lose its right to conduct some of its business.

A variety of laws and regulations apply to the Company's business, including the laws of Colombia, Mexico and Ecuador. Failure to comply with applicable requirements may lead to civil penalties or require the Company to assume indemnification obligations or breach contractual provisions. The Company cannot guarantee that existing or future laws or regulations will not adversely affect its business or result in additional costs. These factors may have a material adverse effect on the Company.

Changes in current or future laws or regulations could restrict its ability to operate its business as it currently does

The Company's business and that of its tenants are subject to various laws and regulations. In certain jurisdictions, these regulations could be applied or enforced retroactively, which could require that the Company modify or dismantle existing towers. Since the Company has operating subsidiaries that are incorporated in each of Colombia, Mexico and Ecuador it is thus subject to the laws of such jurisdictions. For example, the Colombian Ministry of Communications has a protocol aimed to explain to local authorities and communities the existence of environmental impacts and negative effects on the health of the people. Zoning authorities and community organizations are often opposed to construction of communications sites in their communities, which can delay, prevent or increase the cost of new tower construction, modifications, additions of new antennas to a site or site upgrades, thereby limiting the Company's ability to respond to tenant demands. The regulations about distance of cell towers to schools, hospitals, and residences, depend on local authorities, as in Colombia the mayors of municipalities have the power to regulate in an autonomous way the matters related to telecommunication infrastructure. Existing regulatory policies may materially and adversely affect the timing or cost of construction projects associated with the Company's communications sites and new regulations may be adopted that increase delays or result in additional costs to the Company, or that prevent such projects in certain locations, and noncompliance could result in the imposition of fines or an award of damages to private litigants. In certain jurisdictions, there may be changes to zoning regulations or construction laws based on site location, which may result in increased costs to modify certain of the Company's existing towers or decreased revenue due to the removal of certain towers to ensure compliance with such changes. These factors could materially and adversely affect the Company's business, results of operations or financial condition.

Changes to the tax laws in Colombia, Mexico or Ecuador could negatively impact the Company's business and operations.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in the Colombia, Mexico or Ecuador, could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in any of the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Company.

If radio frequency emissions from wireless handsets or equipment on wireless infrastructure are demonstrated to cause negative health effects, potential future claims could adversely affect the Company's operations, costs or revenues.

The potential connection between radio frequency emissions and certain negative health effects, including some forms of cancer, has been the subject of substantial study by the scientific community in recent years. The Company cannot guarantee

that claims relating to radio frequency emissions will not arise in the future or that the results of such studies will not be adverse to the Company. Public perception of possible health risks associated with cellular or other wireless connectivity services may slow or diminish the growth of wireless companies, which may in turn slow or diminish the Company's growth. In particular, negative public perception and regulations regarding these perceived health risks may slow or diminish the market acceptance of wireless services. If a connection between radio frequency emissions and possible negative health effects were established, the Company's operations, costs, or revenues may be materially and adversely affected. The Company currently does not maintain any significant insurance with respect to these matters.

If the Company is unable to protect its rights to the land under its towers, its business and operating results would be adversely affected.

The Company's real property interests relating to its towers consist primarily of leasehold and sub-leasehold interests. A loss of these interests at a particular tower site may interfere with the Company's ability to operate tower sites and generate revenues. Although the Company completes detailed due diligence and title searches prior to tower construction, for various reasons, the Company may not always have the ability to access, analyze and verify all information regarding titles and other issues prior to completing an acquisition of communications sites, which can affect its rights to access and operate a site. From time to time the Company may also experience disputes with landowners regarding the terms of ground agreements for land under towers, which may affect the Company's ability to access and operate tower sites. Further, for various reasons, landowners may not want to renew their ground agreements with the Company, they may lose their rights to the land, or they may transfer their land interests to third parties, including ground lease aggregators, which could affect the Company's ability to renew ground agreements on commercially viable terms. The Company's inability to protect its rights to the land under its towers may have a material adverse effect on its business and operating results.

The Company could have liability under environmental and occupational safety and health laws.

The Company's operations are subject to the requirements of environmental and occupational safety and health laws and regulations, including municipal zoning regulations and height restrictions imposed by the Colombian DAAC-FAN (Colombia's FAA). Many of these laws and regulations contain information reporting and record keeping requirements. The Company may not be at all times in compliance with all environmental requirements. The Company may be subject to potentially significant fines or penalties if it fails to comply with any of these requirements. The requirements of these laws and regulations are complex, change frequently and could become more stringent in the future. In certain jurisdictions these laws and regulations could be applied or enforced retroactively. It is possible that these requirements will change or that liabilities will arise in the future in a manner that could have a material adverse effect on the Company's business, results of operations or financial condition.

The Company's towers, data centers or computer systems may be affected by natural disasters and other unforeseen events for which the Company's insurance may not provide adequate coverage.

The Company's towers are subject to risks associated with natural disasters, such as ice and wind storms, tornadoes, floods, hurricanes and earthquakes, as well as other unforeseen events, such as acts of terrorism. Any damage or destruction to, or inability to access, its towers or data centers may impact its ability to provide services to its tenants and lead to tenant loss, which could have a material adverse effect on its business, results of operations or financial condition.

As part of the Company's normal business activities, it relies on information technology and other computer resources to carry out important operational, reporting and compliance activities and to maintain its business records. If the Company's computer systems and its backup systems are compromised, degraded, damaged, or breached, or otherwise cease to function properly, it could suffer interruptions in its operations or unintentionally allow misappropriation of proprietary or confidential information (including information about its tenants or landlords), which could damage the Company's reputation and require the Company to incur significant costs to remediate or otherwise resolve these issues.

The Company may not have adequate insurance to cover the associated costs of repair or reconstruction for a major future event. Further, the Company may be liable for damage caused by towers that collapse for any number of reasons including structural deficiencies, which could harm the Company's reputation and require it to incur costs for which it may not have adequate insurance coverage.

The Company's operations are primarily in jurisdictions outside of Canada or the United States and consequently the Company is subject to the risks of foreign operations generally.

Currently the Company's operations are conducted in foreign jurisdictions including, but not limited to Colombia, Mexico and Ecuador. The Company expects that receivables with respect to foreign sales will continue to account for a significant portion of its total accounts and receivables outstanding. As such, the Company's operations may be adversely affected by changes in

foreign government policies and legislation or social instability and other factors which are not within the control of the Company including, but not limited to, recessions in foreign economies, expropriation, nationalization and limitation or restriction on repatriation of earnings, longer receivables collection periods and greater difficulty in collecting accounts receivable, changes in consumer tastes and trends, renegotiation or nullification of existing contracts or licenses, regulatory requirements or the personnel administering them, currency fluctuations and devaluations, exchange controls, economic sanctions and royalty and tax increases, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, taxation policies, including royalty and tax increases and retroactive tax claims, volatility of financial markets and fluctuations in foreign exchange rates, difficulties in the protection of intellectual property, labor disputes and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted. The Company's operations may also be adversely affected by social, political and economic instability and by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment. If the Company's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed.

In the event of a dispute arising in connection with the Company's operations in a foreign jurisdiction where the Company conducts its business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

Some countries in which the Company may operate may be considered politically and economically unstable and, in some cases, failure to follow certain formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken by the Company. Management of the Company is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

The Company may in the future enter into agreements and conduct activities outside of the jurisdictions where it currently carries on business, which expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Company.

The business of the Company has an operating history of approximately 6.5 years.

Although the Company has secured adequate financing for all of its projects since commencing operations, it remains subject to all of the business risks and uncertainties associated with any business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There can be no assurance that the Company's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements. Even if the Company does achieve profitability, it cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, it may be unable to continue its business.

A substantial portion of our revenue is derived from our relationship with one tenant.

A substantial portion, or approximately 37%, of our total operating revenues is derived from our leasing agreements with Telefónica S.A. Our agreements with Telefónica S.A. have a term of 10 years, however, if they are unwilling or unable to perform their obligations under our agreements with them, our revenues, results of operations, financial condition and liquidity would be materially and adversely affected. Additionally, due to the long-term nature of our tenant leases with Telefónica S.A., we depend on the continued financial strength of them. If our current tenant or any future tenants are unable to raise adequate capital to fund their business plans, they may reduce their spending, which could materially and adversely affect demand for our communications sites and our services business. If, as a result of a prolonged economic downturn or otherwise, one or more of our significant tenants experiences financial difficulties or files for bankruptcy, it could result in uncollectible accounts receivable. The loss of our current tenant, or the loss of all or a portion of our anticipated lease revenues from this tenant or future tenants, could have a material adverse effect on our business, results of operations or financial condition.

The Company is reliant on its management and key personnel.

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. The Company attempts to enhance its management and technical expertise by recruiting qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees as well as,

engineering, and technical support resources could have a material adverse impact on the Company's financial condition and results of operation. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

The Company conducts business in countries with a history of corruption and transactions with foreign governments and doing so increases the risks associated with our international activities.

As we operate internationally, we are subject to the United States' Foreign Corrupt Practices Act of 1977 and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by the United States and other business entities that have securities registered in the United States for the purpose of obtaining or retaining business. We have operations and agreements with third parties in countries known to experience corruption. Further international expansion may involve more exposure to such practices. Our activities in these countries create the risk of unauthorized payments or offers of payments by our employees or consultants that could be in violation of various laws including the Foreign Corrupt Practices Act of 1977, even though these parties are not always subject to our control. It is our policy to implement safeguards to discourage these practices by our employees and consultants. However, our existing safeguards and any future improvements may prove to be less than effective and our employees or consultants may engage in conduct for which we might be held responsible. Violations of the Foreign Corrupt Practices Act of 1977 may result in criminal or civil sanctions and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition.

As a foreign private issuer, we are not subject to U.S. proxy rules and are exempt from filing certain reports under the Securities Exchange Act of 1934.

As a foreign private issuer, we are exempt from the rules and regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act") related to the furnishing and content of proxy statements, and our officers, directors, and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file annual and current reports and financial statements with the United States Securities and Exchange Commission (the "SEC") as frequently or as promptly as domestic companies whose securities are registered under the Exchange Act, and we are generally exempt from filing quarterly reports with the SEC under the Exchange Act.

If we were to lose our foreign private issuer status, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. We would have to present our financial statements under US GAAP and may also be required to modify certain of our policies to comply with corporate governance practices applicable to U.S. domestic issuers. Such conversion and modifications will involve additional costs.

If we were a "passive foreign investment company" for U.S. federal income tax purposes for any taxable year, U.S. Holders of Common Shares could be subject to adverse U.S. federal income tax consequences.

If we were a "passive foreign investment company" ("PFIC") within the meaning of Section 1297 of the U.S. Internal Revenue Code, as amended, for any taxable year during which a U.S. Holder held Common Shares, certain adverse U.S. federal income tax consequences may apply to the U.S. Holder. We do not believe we have been a PFIC and do not expect to be a PFIC for U.S. federal income tax purposes for our current taxable year or the reasonably foreseeable future, although there can be no assurance that the U.S. Internal Revenue Service ("IRS") will not challenge our determination in this regard or that we will not be a PFIC for the current taxable year or any subsequent taxable year. Our possible status as a PFIC must be determined annually and therefore may be subject to change. This determination will depend on the composition of our income and assets, the market valuation of our assets (including, among others, our goodwill) from time to time, and our spending schedule for cash balances and the proceeds of any offering, as well as on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that we will not be a PFIC for any taxable year. If we were a PFIC, U.S. Holders of Common Shares may be subject to adverse U.S. federal income tax consequences, such as taxation at the highest ordinary income tax rate on gains recognized from the disposition of Common Shares and on certain actual or deemed distributions with respect to Common Shares, interest charges on certain taxes treated as deferred, and additional reporting requirements.

The Company has never paid dividends and, although it intends to evaluate payment of dividends in the future, it may never pay dividends.

Although the Company intends to evaluate its ability to pay dividends in the future, the Company currently has no earnings or dividend record and may not pay any dividends on the common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. The payment of future cash dividends, if any, will be reviewed

periodically by the Company's board of directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

The Company is subject to a going-concern risk.

The Company's consolidated financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing an equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Global and national health concerns, including the outbreak of pandemic or contagious diseases, such as the recent COVID-19 (coronavirus), may adversely affect the business and operations of the Company

The outbreak of the COVID-19 pandemic has resulted in governments and businesses worldwide adopting emergency measures to combat the spread of the coronavirus while seeking to maintain essential services. These measures have included, without limitation, social distancing, the temporary closure of non-essential businesses, stay-at-home and work-from-home policies, self-imposed quarantine periods, border closures and travel bans or restrictions. These measures have significantly disrupted retail and commercial activities in most sectors of the economy and created extreme volatility in financial markets. This has resulted in a sharp economic downturn marked by rising levels of unemployment, as most businesses have reduced or ceased business operations, and reduced consumer spending. These adverse economic conditions are expected to continue for as long as the measures taken to contain the spread of COVID-19 persist and certain of such conditions could continue even upon the gradual removal of such measures and thereafter, especially given that a certain segment of the general public, including certain of our customers and employees, may voluntarily choose to continue to apply such measures due to health concerns regarding COVID-19.

These measures and conditions may adversely affect our business, financial condition, liquidity and financial results for as long as the measures adopted in response to the COVID-19 pandemic remain in place or are re-introduced and potentially upon their gradual or complete removal, including, without limitation, as follows, and such adverse effect could be material:

- access to capital may be affected;
- access to refinancing may be limited;
- cost of capital may increase;
- liquidity may be affected by customers delaying the payment of our invoices;
- cost of construction of towers may increase; and
- ability to construct towers on areas under lock down may be affected.

Item 4. Information on the Company

A. History and Development of the Company

Name and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) (hereinafter, the "BCBCA") on September 12, 2005 as "Pacific Therapeutics Ltd." On January 12, 2017, in connection with the completion of the Tower Three Transaction (as defined below) the Company changed its name to "Tower One Wireless Corp."

The head office and registered and records office of the Company is located at Suite 600-535 Howe Street, Vancouver, BC V6C 2Z4 Canada. The Company's phone number is (917) 546-3016 and its web site is www.toweronewireless.com. The information on our website does not form a part of this Form 20-F.

The Company is a reporting Company in British Columbia and Ontario and its common shares are listed for trading on the Canadian Securities Exchange ("CSE"), the Frankfurt Stock Exchange and are quoted on the Pink Open Market operated by the OTC Markets Group.

General Development of Business

Before the completion of the Tower Three Transaction (defined below), the Company was a development stage specialty

pharmaceutical company focused on developing late-stage clinical therapies and in-licensed novel compounds for fibrosis, erectile dysfunction (ED) and other indications

Significant Acquisitions, Dispositions and other Events

Tower Three Transaction

On January 12, 2017, the Company completed a “fundamental change” transaction (the “**Tower Three Transaction**”), with Tower Three SAS, a limited liability company formed under the laws of the Republic of Colombia on December 30, 2015 (“**Tower Three**”), pursuant to a share exchange agreement made effective as of October 19, 2016, as amended (the “**Acquisition Agreement**”) among the Company, Tower Three and the shareholders of Tower Three (the “**Selling Shareholders**”), whereby the Company acquired 100% of the securities of Tower Three from the Selling Shareholders, by issuing 30,000,000 common shares of the Company (each, a “**Common Share**”) to the Selling Shareholders on a pro-rata basis, following the completion of which, Tower Three is now a wholly-owned subsidiary of the Company. Following the completion of the Tower Three Transaction, the Company began conducting the principal business in Colombia, Argentina and USA.

The Company’s board of directors (the “**Board**”) was reconstituted in conjunction with the closing of the Tower Three Transaction. The Board is now comprised of four (4) members, being Alejandro Ochoa, Fabio Alexander Vasquez, Robert Horsley and Hugo Ochoa. The Company’s senior management now consists of Alejandro Ochoa (President and Chief Executive Officer, Interim Chief Financial Officer, Interim Corporate Secretary), and Luis Parra (Chief Operating Officer). See “Directors and Officers” below for further information.

Innervision Transaction

As at December 31, 2018, the Company owned 90% of Innervision S.A.S. (“**Innervision**”), a private company incorporated under the laws of Colombia, through its wholly owned subsidiary Tower Three.

In October 2019, the Company completed the acquisition of the remaining common shares of Innervision not previously owned by Tower Three. The Company acquired the remaining 10% interest for total purchase price of \$2,685 (\$7,000,000 Colombian Peso). As the Company previously controlled Innervision, the transaction resulted in a change to the Company’s ownership stake and was accounted for as an equity transaction.

Acquisition of Evolution Technology SA

On March 30, 2017, the Company entered into a Share Purchase Offer Agreement with the shareholders of Evolution Technology SA (“**Evotech**”) to acquire 65% ownership interest in Evotech. Evotech is a private company incorporated under the laws of Argentina. Since its incorporation on March 10, 2016, Evotech has obtained various permits for constructing cellular towers and also has two master lease agreements with two major telecom carriers in Argentina. To obtain the 65% ownership interest in Evotech, the Company paid US\$350,000 to the original shareholders of Evotech and transferred US\$400,000 to Evotech for operating expenses. The Company also issued 1,500,000 Common Shares with a fair value of \$480,000 to the shareholders of Evotech. In addition, the Company is committed to contribute the funds necessary for Evotech to construct 50 towers, or a lower number of towers to be agreed between the parties, for up to a total maximum amount of US\$3,500,000.

In June 2021, the Company acquired an additional 26.25% of common shares of Evotech not previously owned by Tower One for total purchase price of \$36,243 (US\$30,000) cash and the issuance of 6,300,000 Common Shares with a fair value of \$569,520, increasing its ownership from 65% to 91.25%.

Acquisition of Tower Construction & Technical Services Inc.

On October 18, 2017, the Company entered into an escrow agreement with the shareholders of Construction & Technical Services, Inc. (“**TCTS**”) to acquire a 70% ownership interest in TCTS. To obtain this 70% ownership interest in TCTS the Company committed to operate TCTS’s business and financial affairs and no cash or equity consideration was provided for this acquisition. TCTS is a Florida company, headquartered in Miami, Florida and established in 2010 that provides its customers with comprehensive telecommunications services including turnkey solutions covering all aspects of tower erecting needs including: wireless infrastructure, tower building solutions and fiber to home. TCTS has active master services agreements with multiple large companies including T-Mobile, Ericsson, Signfox.

On March 1, 2019, the Company entered into an agreement to acquire the remaining 30% ownership interest of TCTS for total purchase price of \$106,121 (US\$80,000). As the Company previously controlled TCTS, the transaction resulted in a change to the Company ownership stake and was accounted for as an equity transaction.

On August 1, 2019, the Company entered into a Joint Venture Agreement with a third party, Enervisa US LLC (“**Enervisa**”) and sold 50% of outstanding shares of TCTS for \$330,397 (US\$250,000) to fund the operation of TCTS. The Company determines that the sale of the 50% of TCTS shares did not constitute a loss of control. The issuance of the shares is accounted for an equity transaction and resulting a non-controlling interest of \$698,030. As at December 31, 2020, the Company has received the full amount for the for the sale of 50% of the outstanding shares of TCTS (\$330,397 – US\$250,000)

Expansion into Mexico

On April 3, 2018, the Company entered into an acquisition agreement with Comercializadora Mexmaken, SA de CV, a Mexican-based private tower company. In consideration for the acquisition, the Company issued 7,500,000 Common Shares at \$0.185 per share for an aggregate value of \$1,387,500. Following completion of the acquisition, the Company owned 90% of the issued and outstanding share capital of Comercializadora Mexmaken, SA de CV, which became a subsidiary of the Company. Comercializadora Mexmaken, SA de CV, which owns, builds and leases cellular towers to the telecom industry in Mexico, and has a master lease agreement with AT&T. This transaction was successfully completed on May 18, 2018.

During 2018, Comercializadora Mexmaken, SA de CV obtained a new Master Service Agreement with Redes Altan. Under this new agreement, the Company has constructed 36 towers in Mexico as of the date of this report.

On February 2020, the Company changed the name of Comercializadora Mexmaken, SA de CV to Tower One Wireless Mexico, SA de CV.

Tower Transactions

On November 21, 2018, the Company entered into an asset purchase agreement with a third party whereby the Company agreed to sell certain tower assets in Colombia. The Company received an advance of US\$1,300,000 from the Purchaser in the form of a promissory note. The amount was subject to an annual interest rate of 10%, due on demand and is secured by a personal guarantee from the Company’s Chief Executive Officer. During the year ended December 31, 2018, the Company incurred interest expense of \$14,840 on this promissory note, which remained payable and is recorded within interest payable on the consolidated statement of financial position. The promissory note was cancelled after the tower sale completed in January 2019.

On December 27, 2019, the Company entered into an asset purchase agreement with a third party whereby the Company agreed to sell certain towers in Argentina. Subsequent to year ended December 31, 2019, the Company sold the towers for proceeds of \$1,204,942.

On June 23, 2020, the Company entered into an asset purchase agreement with a third party whereby the Company agreed to sell certain tower structures, sites and related contracts located in Mexico, in connection to a certain development agreement signed on February 13, 2019, for total proceeds of approximately \$2,749,731.

On December 18, 2020, the Company entered into an asset purchase agreement with a third party whereby the Company agreed to sell certain tower structures, sites and related contracts located in Mexico, in connection to a certain development agreement signed on February 13, 2019, for total proceeds of \$1,032,458.

On August 9, 2021, the Company closed an asset transfer agreement with a non-related party whereby the Company agreed to sell certain tower structures, sites and related contracts located in Argentina for total proceeds of \$3,870,126.

Acquisition of Tower Three Wireless Del Ecuador SA

On September 20, 2021, the Company entered into a Share Transfer Agreement with the sole shareholder of Towerthree Wireless Del Ecuador SA (“**T3 Ecuador**”) to acquire a 90% ownership interest. Since its incorporation in 2019, T3 Ecuador had minimal operations and held preliminary agreements with certain municipalities where the cities offices provided T3 Ecuador with a list of public spaces that T3 Ecuador are authorized to build towers on. In consideration for the 90% ownership interest, the Company paid \$920 (US\$720).

Intercorporate Relationships

The following table identifies the material intercorporate relationships of the Company:

<u>Subsidiary</u>	<u>Place of Incorporation</u>	<u>Percentage of Voting Securities Beneficially Owned, or Controlled or Directed, directly or indirectly, by Tower One</u>
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Tower Three SA	Buenos Aires, Argentina	100%
Tower Two SA	Buenos Aires, Argentina	100%
Evolution Technology SA ⁽¹⁾	Buenos Aires, Argentina	91.25%
Tower Three SAS	Bogota, Colombia	100%
Comercialzadora Mexmaken Sa De Cv	Mexico City, Mexico	90%
TowerThree Wireless del Ecuador SA	Quito, Ecuador	90%
Tower Construction & Technical Services, Inc.	Miami, FL, USA	50%
Innervision S.A.S ⁽²⁾	Bogota, Colombia	100%

Notes:

(1) In June 2021, the Company acquired an additional 26.25% of common shares of Evotech not previously owned by Tower One for total purchase price of \$36,243 (US\$30,000) cash and the issuance of 6,300,000 Common Shares with a fair value of \$569,520, increasing its ownership from 65% to 91.25%.

(2) The Company currently hold a 100% interest in Innervision S.A.S (“**Innervision**”) indirectly through its wholly owned subsidiary Tower Three.

Private Placements

Convertible Debentures and Warrant Issuances

In June 2019, the terms of certain convertible debentures of the Company in the aggregate amount of \$1,500,000 were modified as follows:

- The conversion price was reduced to \$0.09 per Common Share;
- The expiry date of the original 5,000,000 warrants was extended to November 13, 2020;
- The Company issued new common share purchase warrants (the “Warrants”) to each holder of original warrants, resulting in an aggregate of 15,000,000 new warrants being issued. Each New Warrant entitles the holder thereof to acquire one Common Share of the Company at an exercise price of \$0.09 per Common Share, with each new warrant set to expire on November 13, 2020; and
- The Company had the right to repurchase all of the original warrants and New Warrants for \$300,000.00 in aggregate at any time before their respective expiry dates.

In September 2019, the Company further extended the term with the existing lenders.

In consideration for the extension of financing terms with existing lenders, the Company reached an agreement with such lenders to pay a 10% penalty on the total outstanding amounts under the principal. During the year ended December 31, 2019, the Company paid the penalty of \$75,000 and recorded the penalty as interest expense in the consolidated statements of comprehensive loss.

In December 2019, the Company further extended the term with the existing lenders.

In consideration for the extension of financing terms with existing lenders, the Company reached an agreement with such lenders to pay a 1% penalty on the total outstanding amounts under the principal, as well as an additional 2% penalty on the total outstanding amounts under the principal to be added to the principal if the outstanding amounts are not repaid by January 14, 2020.

During the year ended December 31, 2019, the Company paid the penalty of \$7,500 and recorded the penalty as interest expense in the consolidated statements of comprehensive loss.

On April 30, 2020 the Company announced that it has issued 714,286 common shares of the Company at a deemed price of \$0.07 per share to the lenders of the convertible debentures pursuant to a Settlement and Release Agreement. The Settlement Agreement was entered into to address outstanding obligations of the Company relating to the convertible debentures facility

In June of 2020 the Company completed full repayment of the remaining outstanding indebtedness under the convertible debentures. With this repayment, the Company fully repaid all amounts advanced under the convertible debentures facility and is authorized to discharge all security interests registered thereunder. The remaining outstanding warrants were cancelled or expired.

In the year ended December 31, 2021, the Company completed the Bond Financing (as defined below) and issued 120,634 Agent Warrants (as defined below). From December 31, 2021 to April 29, 2022, the Company issued 1,347,800 Agent Warrants

in connection with the Fourth Tranche (as defined below) of the Bond Financing.

Bond Financing

On October 20, 2021, the Company completed an initial closing (the “**Initial Closing**”) of a private placement (the “**Bond Financing**”) in the maximum amount of up to \$10,000,000 pursuant to the offering memorandum exemption. Pursuant to the Bond Financing, the Company offered Class A and Class B Units (as hereinafter defined). Each Class A Unit will be issuable for a price of \$100, payable in cash or in exchange for the equivalent amount of existing subordinated, secured bonds of the Company (the “**Existing Bonds**”), and includes (i) a subordinated, secured bond in the principal amount of \$100 which will bear simple interest at a rate of 10% per annum with a maturity date of September 30, 2022 (each, a “**Class A Bond**”); and (ii) 25 Common Shares at deemed price of \$0.09375 (collectively, a “**Class A Unit**”). Each Class B Unit will be issuable for a price of \$100, payable in cash or in exchange for the equivalent amount of Existing Bonds, and includes (i) a subordinated, secured bond in the principal amount of \$100 which will bear simple interest at a rate of 10% per annum with a maturity date of September 30, 2023 (each, a “**Class B Bond**”); and (ii) 50 Common Shares at a price of deemed price of \$0.09375 per Common Share (collectively, a “**Class B Unit**”).

The net proceeds of the Bond Financing will be used for the construction and purchase of towers and infrastructure development, including all aspects of site acquisition, permitting and payments of licenses and applicable taxes. Where allowed by applicable securities legislation, the Company will offer compensation in cash of up to five percent (5%) on the aggregate purchase price of the Class A Units and up to eight percent (8%) on the Class B Units under the Offering to any exempt market dealers (each, an “**EMD**”) who are registered in accordance with applicable securities laws. The Company will also issue to such EMDs common share purchase warrants of the Corporation (the “**Agent Warrants**”) allowing EMDs to purchase that number of Common Shares that is equal to up to eight percent (8%) of the aggregate purchase price of the Class of the Offered Units at an exercise price equal to the closing market price of the Common Shares on the trading day prior to the dissemination of the news release disclosing the issuance of the warrants, and exercisable for a period of 36 months closing of the applicable tranche of the Bond Financing.

In the Initial Closing, the Company issued a total of 72 Class B Units for aggregate proceeds of \$7,200. The Class B Units were comprised of 3,600 Common Shares and 72 Class B Bonds. The Company issued 4,267 Agent Warrants and paid a cash commission of \$576 to an EMD. The Agent Warrants are exercisable at a price of \$0.125 per Common Share for a period of 36 months from the date of issuance. All securities issued in connection with the Initial Closing were subject to a statutory hold period expiring on February 20, 2022.

On November 16, 2021, the Company completed the second closing (the “**Second Closing**”) of the Bond Financing. In the Second Closing, the Company issued a total of 437 Class B Units and 37 Class A Units at a price of \$100 per each Unit for aggregate proceeds of \$47,400. The 37 Class A Units were comprised of an aggregate of 925 Common Shares and 37 Class A Bonds. The 437 Class B Units were comprised of an aggregate of 21,850 Common Shares and 437 Class B Bonds. In connection with the issuance of the Units, the Company issued 36,114 Agent Warrants and paid a cash commission of \$3,681 to an EMD. The Agent Warrants are exercisable at a price of \$0.105 per Share for a period of 36 months from the date of issuance. All securities issued in connection with the Second Closing were subject to a statutory hold period expiring on March 17, 2022.

On December 15, 2021, the Company completed the third closing (the “**Third Closing**”) of the Bond Financing. In the Third Closing, the Company issued a total of 786 Class B Units and 167 Class A Units at a price of \$100 per each Unit for aggregate proceeds of \$95,300. The 167 Class A Units were comprised of an aggregate of 4,175 Common Shares and 167 Class A Bonds. The 786 Class B Units were comprised of an aggregate of 39,300 Common Shares and 786 Class B Bonds. In connection with the issuance of the Units, the Company issued 80,253 Agent Warrants and paid a cash commission of \$7,123 to an EMD. The Agent Warrants are exercisable at a price of \$0.095 per Share for a period of 36 months from the date of issuance.

On April 22, 2022, the Company completed the fourth closing (the “**Fourth Closing**”) of the Bond Financing. In the Fourth Closing, the Company issued a total of 5,002 Class B Units and 8,476 Class A Units at a price of \$100 per each Unit for aggregate proceeds of \$1,347,800, of which \$28,800 was paid in cash and \$1,319,000 was paid by the exchange of existing subordinated, secured bonds of the Company. The 8,476 Class A Units were comprised of an aggregate of 211,900 Common Shares and 8,476 Class A Bonds. The 5,002 Class B Units were comprised of an aggregate of 250,100 Common Shares and 5,002 Class B Bonds. In connection with the issuance of the Units, the Company issued 1,347,800 Agent Warrants and paid a cash commission of \$46,989 to an EMD. The Agent Warrants are exercisable for 1,347,800 Common Shares at a price of \$0.08 per Share for a period of 36 months from the date of issuance.

The following table summarizes the share purchase warrants outstanding and exercisable as at December 31, 2021:

Number of warrants outstanding	Exercise price	Expiry date
	\$	
4,267	0.125	October 19, 2024
36,114	0.105	November 16, 2024
80,253	0.095	December 14, 2024
120,634		

Principal Capital Expenditures

The Company’s principal capital expenditures are the acquisition of wireless tower sites and the development of cellular towers on such sites. The Company funds these capital investments primarily through funds received through capital market raises such as private placements, the bond program, the financial debt from third parties and from cash generated from the operating activities.

As of April 30, 2022, there are 48 towers currently under construction, 28 of which are in Colombia, 16 of which are in Ecuador and 4 of which are in Mexico.

Internet Availability and Additional Information

The SEC maintains an internet site at www.sec.gov that contains our current and periodic reports, including our proxy and information statements and other information regarding issuers such as the company that file electronically with the SEC. Our web address is: <https://www.toweronewireless.com>.

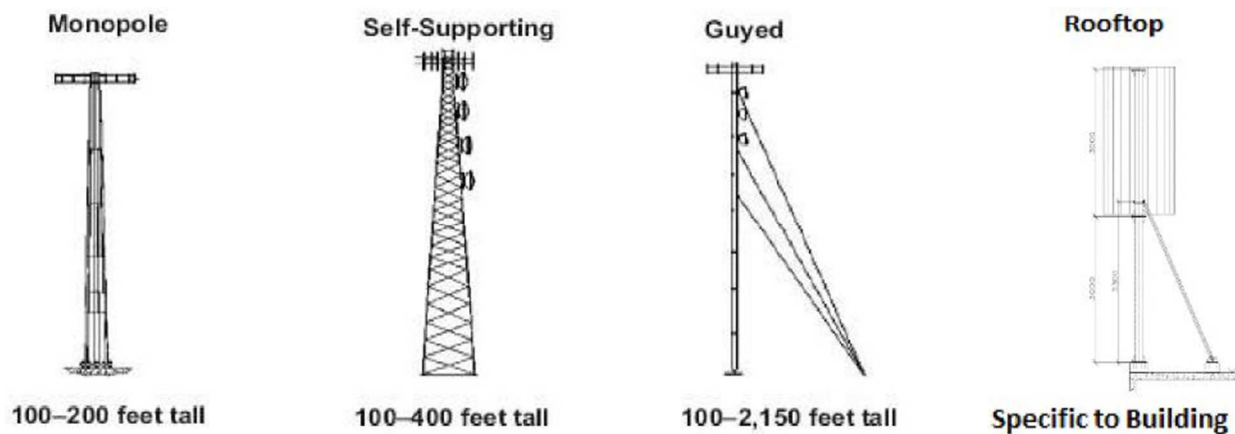
All websites referred to herein are inactive textual references only, meaning that the information contained on such websites is not incorporated by reference herein and you should not consider information contained on such websites as part of this document unless expressly specified.

B. Business Overview

The Company is a pure-play, Build-to-Suit (“BTS”) tower owner, operator and developer of multitenant communications real estate. The Company’s primary business is the leasing of space on communications sites to mobile network operators (“MNOs”) in countries it services with non-cancellable lease terms of over 10 years, which include inflation escalators. Each tower is built with an initial anchor tenant commitment and space for an additional 1-3 tenants, or collocations. The Company does not build any towers without an anchor tenant in place. The Company offers tower-related services in the largest Spanish speaking countries in Latin America: Argentina, Colombia and Mexico. These tower-related services include site acquisition, zoning and permitting, structural analysis, and construction which primarily supports the Company’s site leasing business, including the addition of new tenants and equipment on its sites. BTS is a process where a long-term lease is secured with a tenant prior to the construction of a tower. Terms are outlined in master lease agreements (“MLAs”) with tenants. As of December 31, 2021, the Company had a total of 12 signed MLA agreements with major MNOs in Colombia, Ecuador and Mexico and a total backlog of over 400 sites. Most recently, the Company has commenced constructing towers in Ecuador. Although no towers were completed in Ecuador as of December 31, 2021, the Company completed the construction of four towers in Ecuador by the end of April 2022.

The Telecommunications Tower Industry

The telecommunications tower industry leases different structure types (monopole, self-supporting, guyed, and rooftop) to MNOs to create a cell site. A cell site is an area within an MNO’s wireless network which is serviced by an antenna array. The Company can host multiple MNO tenants on a single tower with marginal incremental cost. Each additional tenant is referred to as a “collocation”.



The process of building a tower for an MNO starts with the MNO issuing “search rings” to the tower company. A search ring represents a radius around a specific global positioning system or “GPS” coordinate and a height requirement for the MNO. A cell site within this search ring is critical for the MNO to provide quality cellular coverage to its customers. Mostly due to the critical nature of the cell site’s location, little migration occurs among MNOs once a cell site is in place. After issuing a search ring, the Company looks for places to construct a tower. This process is called “site acquisition” and takes anywhere from 1 to 90 days. Following completion of the site acquisition process, or in many cases concurrently with completion, the Company seeks permitting from local authorities as well as the Aeronautica Civil (Colombia), ANAC (Argentina) or Directorate General of Civil Aviation (Mexico). The final step is construction of the tower, which typically takes less than 30 days. From start to finish, on average an individual MNO tower site takes approximately 180 days to be placed in service.

The process of site acquisition, permitting and construction are also outsourced to specialized third party companies that focus on these services. The Company has internal groups, including legal, site acquisition, engineering and construction supervision that supervise these areas and manage the time, quality and service received.

Terms of the tenant lease are set forth in an MLA between the Company and tenant which include length of contract, rent by structure type, colocation rates and annual price increases to adjust for local inflation.

The Company’s Tower Portfolio

Through its subsidiaries, and as of April 30, 2022, the Company has 239 constructed towers, with 4 located in Ecuador, 221 located in Colombia and 14 located in Mexico. Forty-one (41) of the Company’s 239 in-service towers have a second tenant collocating, representing 1.17 tenants per in-service tower. Further, as of April 30, 2022 there are 48 towers currently under construction, 16 of which are in Ecuador, 28 of which are in Colombia and 4 of which are in Mexico.

See below for a summary of the Company’s tower portfolio:

Country	In-Service Towers	Collocations	Tenants	Towers Under Construction
Ecuador	4	0	4	16
Colombia	217	41	258	30
Mexico	14	0	14	4
Total	231	41	272	34

The above summary reflects the Company’s sale of 22 towers in Colombia in 2018 to a third party for \$2,516,354 (USD), the sale of 10 towers in Argentina in 2019 to a third party for approximately \$1,500,000 (USD), the sale of 37 towers in Mexico between June and December 2020 for approximately \$3,800,000 (USD), and the sale of 47 towers in Argentina in 2021 to a third party for approximately \$1,700,000 (USD).

Products and Services

The Company’s revenue is primarily derived from tenant leases on the towers it owns and operates in Ecuador, Colombia and Mexico. The lease terms of each structure type are outlined in the MLAs, and these agreements include information about lease amounts by structure type, annual increases and adjustments for local inflation, collocation terms, and minimum infrastructure design requirements. The lease payment amount depends on a number of factors including tower location, height and amount

of equipment on the tower. Expenses at the tower site include insurance and maintenance expenses, and in certain cases, property taxes. Ground rent and power and fuel costs are passed through to the Company's tenants. In the tower industry, tower level cash flow ("TCF") is defined as leasing revenue from the tenants less the expenses at the tower site. The Company also received revenue for the sale of certain towers.

The Company's operations have been concentrated in Colombia, Argentina, Mexico and the United States. During the year ended December 31, 2021, the Company recorded total of revenues of \$2,916,089, \$5,430,749, \$158,272, and \$0 in Argentina, Colombia, Mexico and the United States respectively, while the Company recorded total assets of \$552,557, \$19,087,983, \$2,357,981 and \$167,640, in Argentina, Colombia, Mexico and the United States respectively.

	Argentina \$	Colombia \$	Mexico \$	United States of America \$	Other \$	Total \$
December 31, 2021						
Tower rental revenue	678,002	2,014,364	147,902	-	-	2,840,268
Service revenue	-	3,416,385	-	-	2,182,516	5,598,900
Sales revenue	2,238,087	-	10,370	-	-	2,248,547
Total Revenues	2,916,089	5,430,749	158,272	-	2,182,516	10,687,626
December 31, 2020						
Tower rental revenue	945,647	550,418	278,281	-	-	1,774,346
Service revenue	-	-	-	346,317	626,319	972,636
Sales revenue	1,244,773	14,439	5,119,888	-	-	6,379,100
Total Revenues	2,190,420	564,857	5,398,169	346,317	626,319	9,126,082
December 31, 2019						
Tower rental revenue	1,102,810	292,848	244,978	-	-	1,640,636
Service revenue	-	-	-	561,759	-	561,759
Sales revenue	-	3,069,670	141,529	-	-	3,211,199
Total Revenues	1,102,810	3,362,518	386,507	561,759	-	5,413,594

The Telecommunications Market in Latin America

General

Despite considerable progress in building out mobile broadband networks in Latin America over recent years (there are estimated to be over 160,000 towers in Latin America), approximately 10% of the population, or approximately 64 million people, still have no access to a mobile broadband network in the region. Latin America is characterized by densely populated and sprawling cities, but also by vast, sparsely populated areas, mountain ranges, rainforests and islands. Although most people live in urban or suburban areas, it is the small proportion of people living in rural areas (20% of the population) that are most likely to currently be without access to mobile broadband.

Although the business model utilized by mobile network operators has so far proven effective in expanding coverage to current levels, the Company believes that moving further into remote areas through traditional network deployment is a much greater challenge, owing to the sparsely populated unconnected areas, the difficult economic situation in many Latin American countries, the high cost of investment with limited potential for return, and a challenging market environment that often makes coverage expansion uneconomical. As a result, mobile network operators are increasingly adopting alternative methods, notably infrastructure sharing and partnerships with other ecosystem players, to complement traditional network deployments. In addition, they want to focus on their core business by deploying more cell sites and spending money on sales and marketing.

The Company believes that governments in the region want to make access to and use of mobile broadband universal, a goal shared by mobile network operators. The Company expects this will require a multidimensional approach and collaboration between governments and the mobile industry, with the former supporting industry-led initiatives with policies and programs

that create the right incentives and an enabling environment for extending connectivity to underserved areas. The Company also believes that in many cases mobile network operators’ efforts to improve coverage are hampered by inefficient and arduous regulation from governments and policymakers, including onerous coverage obligations, strict quality-of-service (“QoS”) expectations, and restrictive planning laws around new infrastructure deployment which, together, make for a challenging regulatory environment. In many markets, this continues to be less of the case and as these markets mature they adopt many programs such as strict timelines for licensing and the utilization of government properties to enhance deployment speeds.

Additionally, of the 90% of the population of Latin America who have access to mobile broadband services, just over 160 million people, or approximately a quarter of the population, subscribed to such services. This means that three-quarters of the population do not currently subscribe to mobile broadband services, primarily due to affordability and/or consumer challenges.

Mobile network operators in Latin America face a tough balancing act in allocating capital across multiple divergent needs: investing in network expansion projects to meet coverage obligations or boosting network capacity in existing service areas to address QoS expectations (most countries in Latin America have more than 3,500 users (subscribers) per cell site, compared to around 1,000 or fewer in the US and other developed markets). The Company believes that this puts an additional burden on mobile network operators and inadvertently weakens the business case for investment in coverage expansion. The Company believes that tower companies – like the Company – have a role to play in creating and sustaining an enabling environment for effective investment in infrastructure deployment for carriers and operators.

The Company’s infrastructure sharing is intended to enable mobile network operators to deploy networks more efficiently, optimize asset utilization and reduce operating costs compared with standalone deployment by the mobile network operator. It is also designed to minimize duplication of infrastructure, which has come under the spotlight in many countries due to growing environmental and public safety concerns.

The Focus Markets: Colombia, Ecuador and Mexico

The Company operates in the largest Spanish-speaking countries in Latin America: Colombia, Ecuador and Mexico. The Company’s focus markets have an estimated total population of approximately 190 million people.

**MEXICO
COLOMBIA & ECUADOR**

Tower One is Focused on the Predictable BTS Markets in Latin America

Mexico

Demographics:	Telecom Data:
Population 125M	3,500 subscribers per site (vs.1,200 in U.S)
Land Area km ² 2.0M	4,900+ towers annually needed
GDP (PPP) \$1.1T	CS14B MNO CapEx spend (2016 - 2020)
GDP Per Capita \$8,347	

Colombia

Demographics:	Telecom Data:
Population 48M	3,600 subscribers per site (vs.1,200 in U.S)
Land Area km ² 1.1M	1,400+ towers annually needed
GDP (PPP) \$271B	CS8B MNO CapEx spend (2016 - 2020)
GDP Per Capita \$5,333	

Ecuador

Demographics:	Telecom Data:
Population 17M	4,200 subscribers per site (vs.1,200 in U.S)
Land Area km ² 1.1M	400+ towers annually needed
GDP (PPP) \$99B	CS2B MNO CapEx spend (2016 - 2020)
GDP Per Capita \$5,600	



Source: The World Factbook

The Company estimates there are currently over 60,000 tower sites in these markets with over 3,500 subscribers per tower. This figure differs substantially from the U.S. average of approximately 1,200 subscribers per cell site, which the Company believes points to the need for more towers in the region. Furthermore, the Company believes a key driver for further cell site growth in these markets is the substantial increase in mobile data consumption per user. Mobile data consumption per user in Latin America was 0.9 GB per month in 2016 and is projected to grow roughly 6 times that to 5.4 GB per month by 2021 per

the GSMA Association (“**GSMA**”).

Demand Figures	Ecuador	Colombia	Mexico	Total Markets	U.S.
Subscribers per Cell Site	4,200	3,600	3,500	approx. 3,600	approx. 1,200
Towers Sites	5,930	17,943	36,258	60,401	approx. 300,000
Annual Towers Needed	400+	1,400+	4,900+	7,700	n.a
MNO CapEx ('16-'20)	C\$2B	C\$8B	C\$14B	C\$34B	n.a

Source: TowerXchange, GSMA, Management Estimates

The Ecuadorian Market

Ecuador has a population of 17 million and GDP per capita of approximately \$5,600. There are an estimated 5,930 towers in Ecuador as of October 2018 with approximately 4,200 subscribers per cell site, according to TowerXchange. The Company believes over 400 towers annually are needed in Ecuador to meet demand and we believe that MNOs are planning to spend approximately \$2 billion from 2016 through 2020 on capital expenditures, per GSMA. Major MNOs include CNT, Otecel (Telefónica Ecuador) and America Movil.

The Company believes that Argentina market has many positive characteristics with regard to its potential for tower companies – with three sizeable, competitive mobile operators vying for market share, high penetration yet potential for subscriber growth, and a burgeoning 4G mobile market. Significant tower infrastructure will be required to meet coverage targets and to cater to mobile data growth in large population centers. The latest political and economic events are still being assessed to understand the effects on the mobile operators tower construction growth.

The Colombian Market

Colombia has a population of 48 million and GDP per capita of approximately \$5,333. There are 17,943 towers in Colombia as of October 2018 with approximately 3,626 subscribers per cell site, according to TowerXchange. The Company believes over 1,400 towers annually are needed in Colombia to meet demand and we believe that MNOs are planning to spend approximately \$8 billion from 2016 through 2020 on capital expenditures, per GSMA. Major MNOs include Avantel, Claro Colombia, Telefonica, WOM and Tigo. The Company works with the five major carriers in Colombia and has MLAs with Telefonica, Claro, Tigo, WOM and Avantel. The Company believes further demand drivers of future cell sites include a pro-infrastructure political climate, carrier LTE deployments and a planned network investment of over \$300 million by Tigo.

In December 2019, the government made an auction of the 700MHz spectrum and the MNOs that participated, were awarded with more than 3000 locations that should receive telecommunications services in the upcoming 4 years. This commitment is mandatory for the MNOs and this is the base to, strongly believe, that the growth for the tower’s companies in Colombia will be robust.

The Mexican Market

Mexico has a population of 125 million and GDP per capita of \$8,347. There are 36,258 towers in Mexico as of October 2018 with approximately 3,535 subscribers per cell site, according to TowerXchange. Management projects over 4,900 towers annually are needed in Mexico to meet demand and we believe that MNOs are planning to spend approximately C\$14 billion from 2016 through 2020 on capital expenditures, per GSMA. Major MNOs include Altan Redes, AT&T Mexico, TelCel and Telefonica. Altan, AT&T and Telefonica make up over 30% of the market and are customers of the Company. The Company believes further demand drivers of future cell sites include a recent high-profile spectrum auction, a countrywide wholesale wireless broadband initiative by Altan and increased mobile data consumption.

Competition

The Company operates in a very competitive industry. Competitors vary in size from small private organizations to large publicly-traded companies. The Company believes that price, network density, speed of service, access to capital, quality and site acquisition strategies are the primary competitive factors affecting companies in its industry.

In Colombia, there are less than eight tower companies; Ecuador, less than eight tower companies; and Mexico, less than 12 tower companies. The Company believes there is ample room for its business to serve clients in these countries.

Seasonality

Not Applicable

C. Organizational structure

The following are the Company's subsidiaries along with the percentage ownership and jurisdiction of incorporation:

Entity	Country	Percentage of ownership		Functional currency
		2021	2020	
Subsidiaries				
Tower One Wireless Corp. ("Tower One")	Canada	Parent	Parent	Canadian dollar
Tower Two SAS ("Tower Two")	Argentina	100%	100%	Argentine Peso
Tower Three SAS ("Tower Three")	Colombia	100%	100%	Colombian Peso
Tower 3 SA ("Tower 3")	Argentina	100%	100%	Argentine Peso
Innervision SAS ("Innervision")	Colombia	100%	100%	Colombian Peso
Evolution Technology SA ("Evotech")	Argentina	91.25%	65%	Argentine Peso
Tower Construction & Technical Services, LLC ("TCTS")	USA	50%	50%	US dollar
Tower One Wireless Mexico S.A. de C.V. ("Mexmaken")	Mexico	90%	90%	Mexican Peso
Towerthree Wireless del Ecuador S.A. ("T3 Ecuador")	Ecuador	90%	N/A	US dollar

D. Property, plant and equipment.

As of April 30, 2022 the Company has 239 towers built as of the date of this report, and another 48 under construction. In Colombia, the Company has 221 constructed towers with 41 collocations and 28 under construction. In Mexico, the Company has 14 constructed towers and 4 under construction. In Ecuador, the Company has 4 constructed towers and 16 under construction.

The Company's interests in its towers are comprised of a variety of ownership interests, including leases created by long-term ground lease agreements, easements, licenses or rights-of-way granted by government entities. A typical tower site consists of a compound enclosing the tower site, a tower structure and one or more equipment shelters that house a variety of transmitting, receiving and switching equipment. In addition, the Company's sites typically include backup or auxiliary power generators and batteries.

The telecommunication towers that are owned by the Company are included in PP&E at cost less accumulated amortization and accumulated impairment loss in accordance with IFRS. However the fair market value of these towers can be calculated based on the free cash flow that they generate over the years, which value is usually between 2x and 3x its construction cost. Over the past several years, the Company has closed several transactions which support this approach to valuation and further information related to the telecommunication tower transactions can be found in TowerXchange.

The principal structure types of the Company's towers are monopole towers, self-supported towers and rooftops. A monopole tower is a tubular structure that is used primarily to address space constraints or aesthetic concerns. Monopole towers typically have heights ranging from 100 to 200 feet. A monopole tower site used in metropolitan areas for a typical communications tower site can consist of a plot of land of fewer than 1,000 square feet. A self-supported tower ("SST") is a stem-pattern tower which is compiled and connected to form a self-supporting frame without any other subvention. SST towers have a conventional form of tower frame which is designed to withstand wind pressure and the geographic condition at the tower's location. The height of the SST can be anywhere between 100 to 400 feet. A rooftop lease usually requires only a fraction of the space, as a mobile network operator may require as little as 50 square feet for each cell site installation.

Our head office is located at 600-535 Howe Street, Vancouver, BC V6C 2Z4 Canada.

We also maintain regional offices in Colombia at: Calle 84 A No. 12-18 Of. 302, Bogota, in Mexico at: Lago Nargis 34 Piso 3-A, Colonia Granada, CDMX C.P 11520, in Ecuador at: Inglaterra No. 31-49, Pichincha, Quito and in USA at: 5301 NW 74th Ave, Miami FL, 33166. We currently lease these office locations.

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

A. Operating Results

The following discussion of our financial condition and results of operations is based upon and should be read in conjunction with our financial statements for each of the fiscal years ended December 31, 2021, December 31, 2020 and December 31, 2019 have been prepared in accordance with IFRS. This discussion contains forward-looking statements that involve certain risks and uncertainties. We caution you that our businesses and financial performance are subject to substantial risks and uncertainties. See Item 3.D, “Key Information — Risk Factors”.

General

The Company is a pure-play, BTS tower owner, operator and developer of multitenant communications real estate. The Company’s primary business is the leasing of space on communications sites to MNOs. The Company offers tower-related services in the largest Spanish speaking countries in Latin America: Argentina, Colombia and Mexico. These tower-related services include site acquisition, zoning and permitting, structural analysis, and construction which primarily supports the Company’s site leasing business, including the addition of new tenants and equipment on its sites. BTS is where a long-term site lease is in hand with a tenant prior to undergoing construction. As of December 31, 2021, the Company had a total of 12 signed MLA agreements with major MNOs in Ecuador, Colombia and Mexico.

Corporate Highlights

The Company’s highlights during the year ended December 31, 2021, and the interim period up until the date of this report include:

- Management continued to actively focus on capital raising to support the Company’s tower business and general working capital. As a result of this effort, the Company was able to enter into a loan agreement with Itau Corpbanca Colombia SA (“**Itau**”) on March 11, 2021, whereby the Company was loaned a total of COP\$31,632,000,000 for the purpose of funding the development of certain towers. The loan is secured against the towers funded by the loan proceeds, as well as the economic rights for collection of tower rents relating to such towers, bears interest at 4.615% plus IBR 6 months per annum, and is due in September 2030.
- Innervision SAS was created as a support company to Tower One’s tower construction demand. As a result of the rapid growth in the delivery towards customers (MNOs), these have in turn requested the company to also provide towers as a service along with additional maintenance services (preventive and corrective). In general this has provided an additional revenue source along with a way to maintain construction costs and protections in line while facing inflationary periods and raw material price increase. This new revenue started to be accrued and gained as of fourth quarter 2021.
- The four closings of the Offering in the maximum amount of up to \$10,000,000 pursuant to the offering memorandum exemption. See above at “Bond Financing”.
- On January 18, 2022, the Company settled a debt in the amount of \$1,039,751 owed to a creditor in exchange for 16,273,267 common shares at a deemed price of \$0.064 per share. Globo Inmobiliario issued a press release announcing that it acquired an aggregate of 16,273,267 common shares of the Company, representing 13.70% of the issued and outstanding shares as at January 13, 2022. Globo Inmobiliario holds securities of the Company for investment purposes.
- On April 12, 2022, the Company, through its subsidiary in Ecuador, announced a new contract with Telefonica to build tower sites and to finance equipment.

Results of Operations

The following table sets forth certain selected operating results and other financial information for each of the years ended December 31, 2021, 2020, 2019:

	2021	2020	Change from 2020 to 2021	2019	Change from 2019 to 2020
	\$	\$	\$	\$	\$
Revenue	10,687,626	9,126,082	1,561,544	5,413,594	3,712,488

Wages and Benefits	1,262,251	1,888,110	(625,859)	1,217,674	670,436
Professional Fees and Consulting	1,780,545	2,395,170	(614,625)	2,366,030	29,140
Advertising and Promotion	235,243	133,726	101,517	46,789	86,937
Share Based Compensation	130,000	0	130,000	0	0
Travel	103,369	154,043	(50,674)	214,065	(60,022)
Office and Miscellaneous	884,896	869,732	15,164	963,460	(79,938)
Interest, Financing Charges and accretion	2,127,427	1,205,657	921,770	1,912,553	(706,896)
Total Other Income (Expenses)	(1,569,015)	(122,633)	(1,446,382)	114,378	(237,011)
Net Comprehensive income (loss)	(3,454,371)	(3,165,858)	(288,513)	(8,474,964)	5,309,106

The Company's net comprehensive loss for the year ended December 31, 2021, totaled \$3,454,371 or \$0.05 per Common Share compared to net comprehensive loss of \$3,165,858 or \$0.04 per Common Share for the year ended December 31, 2020 and a net comprehensive loss of \$8,474,964 or \$0.13 per Common Share for the year ended December 31, 2019. The increase in net comprehensive loss for the year ended December 31, 2021 compared to the prior year was primarily the result of the impairment of intangible assets. The decrease in net comprehensive loss for the year ended December 31, 2020 compared to the prior year was primarily the result of increased revenues, mainly for tower sales in Mexico and Argentina that was partially offset by increased operating related to those sales, and a reduction of the interest, financing charges and accretion. The decrease in net comprehensive loss for the year ended December 31, 2019 compared to the prior year was primarily the result of increased revenues and decreased other expenses being partially offset by increased operating related expenses, mostly in connection with the growth of the Company's operations in 2019 compared to the prior year. The decrease in net comprehensive loss in 2018 from 2017 was primarily the result of increased revenues and decreased other expenses being partially offset by increased operating related expenses, mostly in connection with the growth of the Company's operations in 2018 compared to the prior year.

Revenues

2021 compared to 2020

Total revenue increased to \$10,687,626 for the year ended December 31, 2021 compared to \$9,126,082 as of December 2020, primarily as a result of an increase of the sales in Colombia during 2021 (4,867,305) being the main driver the service for construction of towers 3,416,385. In addition, the monthly recurring service fee raised from \$1,106,330 in 2020 to \$1,981,748 in 2021.

2020 compared to 2019

Total revenue increased to \$9,126,082 for the year ended December 31, 2020, compared to \$5,413,594 as of December 31, 2019, primarily as a result of the towers sold in Mexico (37) and Argentina (10), in addition the service revenue was increased by \$544,587 due to the new towers that were finished during this period. The Company expects to generate revenues in 2021 mostly from monthly lease payments by MNOs on existing and future tower sites.

Expenses

2021 compared to 2020

Professional fees decreased from \$2,395,170 during the year ended December 31, 2020, to \$1,780,545 during the year ended December 31, 2021, primarily due to the reduction on salaries and wages for the management and officers and a reduction of the bonus accrual. During the year ended December 31, 2021, office and miscellaneous expenses increased to \$884,896 compared to \$869,732 for the year ended December 31, 2020, mainly due to an increase of the selling, general and administrative expenses. During the year ended December 31, 2021, advertising and promotion increased to \$235,243 compared to \$133,726 for the year ended December 31, 2020, mainly due to additional efforts that the Company made to improve its

marketing. During the year ended December 31, 2021, the Company incurred travel expense in the amount of \$103,369 (December 31, 2020 – \$154,043). The main reason for the decrease was the isolation due to COVID-19. The Company incurred \$2,127,427 in interest, financing charges and bank charges during the year ended December 31, 2021, compared to \$1,205,657 in the prior year due to the new financings that the Company closed during the year. During the year ended December 31, 2021, maintenance and operation expenses increased to \$984,171 from \$942,370 compared to December 31, 2020, mainly due to the dismissal compensation for some employees in the Mexican subsidiary. During the year ended December 31, 2021, the Company recorded \$1,139,917 in unrealized foreign exchange translation gain due to changes in the value of the Colombian Peso, Argentine Peso, Mexican Peso and US dollars with respect to the Canadian dollar. The Company's presentation currency is the Canadian Dollar. The functional currency of each of the entities included in the consolidated group is as follows: Tower One Wireless Corp. is the Canadian Dollar; Tower Three and Innervision is the Colombian Peso; Evolution Technology S.A. and Tower 3 is the Argentina Peso; TCTS is the US Dollar; and Mexmaken is the Mexican Peso. The Company records a cumulative translation adjustment due to the changes resulting from the fluctuation of foreign exchange rates.

2020 compared to 2019

Professional fees increased to \$2,395,170 during the year ended December 31, 2020, compared to \$2,366,030 in the previous year primarily due to an increase in consulting fees. During the year ended December 31, 2020, office and miscellaneous expenses decreased to \$869,732 compared to \$949,670 for the year ended December 31, 2019, mainly due to the decrease in the operations for Argentina. During the year ended December 31, 2020, advertising and promotion increased to \$133,726 compared to \$46,789 for the year ended December 31, 2019, mainly due to a change on the marketing strategy decided by the management of the Company. During the year ended December 31, 2020, the Company incurred travel expense in the amount of \$154,043 (December 31, 2019 – \$214,065). The main reason for the decrease was the isolation due to COVID-19. The Company incurred \$1,205,657 in interest, financing charges and bank charges during the year ended December 31, 2019 compared to \$1,912,553 in the prior year due to a reduction in the rates applied during 2020. During the year ended December 31, 2020, maintenance and operation expenses decreased to \$942,370 from \$1,001,161 compared to December 31, 2019, mainly due to the efficiencies achieved by the Company incurring operating costs in order to generate revenue. During the year ended December 31, 2020, the Company recorded \$508,446 in unrealized foreign exchange gain due to differences in functional and presentation currency which has been booked to accumulated other comprehensive loss. The Company's presentation currency is the Canadian Dollar. The functional currency of each of the entities included in the consolidated group is as follows: Tower One Wireless Corp. is the Canadian Dollar; Tower Three and Innervision are the Colombian Peso; Evolution Technology S.A. and Tower 3 are the Argentina Peso; TCTS is the US Dollar; and Mexmaken is the Mexican Peso. The Company records a cumulative translation adjustment due to the changes resulting from the fluctuation of foreign exchange rates.

Impact of Inflation

In May 2018, the Argentinean Peso underwent a severe devaluation resulting in Argentina's three-year cumulative inflation exceeding 100% in 2018, and consequently for the years ended December 31, 2018, 2019, 2020 and 2021, the Company determined that Argentina was in a state of hyperinflation. In 2021 the inflation was 50.94% compared to 2020. The Company's subsidiary, Evotech, operates in Argentina and the functional currency of Evotech is the Argentinian Peso.

Although we do not believe that inflation has had a material impact on our revenues or income over the past two fiscal years, the hyperinflationary situation in Argentina helped contribute to a gain on net monetary position of \$120,357 in 2021 compared to the \$318,659 reported for 2020 and further increases in inflation in Argentina or the other markets in which we operate could result in increases in our expenses, which may not be readily recoverable in the price of goods or services provided to our clients. To the extent that inflation results in rising interest rates and has other adverse effects on capital markets, it could adversely affect our financial position and profitability.

Foreign Currency Fluctuations

The Company generates revenues and incurs expenses and capital expenditures primarily in Colombia, Argentina and Mexico and is exposed to the resulting risk from changes in foreign currency exchange rates. Some administrative and head office related expenses are incurred in Canada and the United States. In addition, the Company holds financial assets and liabilities in foreign currencies that expose the Company to foreign exchange risks. A significant change in the currency exchange rates between the Canadian dollar relative to the Colombia Peso, the Mexico Peso or the Argentina Peso could have an effect on the Company's results of operations, financial position and/or cash flows.

The Company recorded \$508,446 in gains related to foreign exchange translation adjustments in 2020 compared to a loss of \$327,696 in 2019 and a loss of \$480,132 in 2018. The foreign exchange translation loss in 2020 was primarily the result of the hyperinflationary situation in Argentina. The Company's functional currency is the Canadian dollar, while Tower Three conducts business in Colombia with the Colombian Peso and Evotech conducts business in Argentina with the Argentinian

Peso and Comercializadora Mexmaken conducts business in Mexico with the Mexican Peso. At December 31, 2021, the Company had the following financial instruments denominated in foreign currencies:

	Argentine Pesos	Colombian Pesos	Mexican Pesos	United States Dollars	Total
	\$	\$	\$	\$	\$
Cash	95,002	750,276	8,891	130,955	985,125
Amounts receivable	433,233	6,608,587	419,240	692	7,461,725
Accounts payable and accrued liabilities	(159,773)	(7,145,543)	(584,213)	(480,830)	(8,370,319)
Customer deposits	-	(4,382,299)	(917,284)	(1,917)	(5,301,501)
Interest payable	-	(465,313)	-	-	(465,313)
Lease liability	-	(2,244,504)	(87,901)	-	(2,332,405)
Loans payable	-	(12,777,514)	(121,221)	-	(12,898,735)
Loans from related parties	-	-	-	-	-
Net	368,503	(19,656,310)	(1,282,488)	(351,099)	(20,921,396)

Despite the increase in foreign exchange translation losses in 2020, foreign currency fluctuations have not previously had a material impact on the Company's financial results. Consequently, the Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates and therefore does not hedge its exposure to currency fluctuations. It is the opinion of management that the foreign exchange risk to which the Company is exposed is currently not material. However, the Company anticipates that the fluctuations of the Colombian, Mexican and Argentinian Pesos may impact the Company's financial results moving forward. The Company intends to monitor such potential impact and will possibly develop a hedging policy if such fluctuations become material.

Critical Accounting Estimates

The Company's accounting policies are presented in Note 3 of the audited financial statements for the years ended December 31, 2021 and 2020. The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to select accounting policies and make estimates. Such estimates may have a significant impact on the financial statements. Actual amounts could differ materially from the estimates used and, accordingly, affect the results of the operations. These include the assumptions used for:

- the determination of the impairment of intangible assets;
- the determination of the allowance for credit losses;
- the determination of the recoverability of assets carrying values;
- the determination of the useful life of equipment;
- the determination of incremental borrowing rate used to measure the lease liability; and
- the determination of the value share based payments and compensation.

Regulation

Colombia

Our tower leasing business in Colombia is subject to Colombian national, state and local regulatory requirements with respect to the construction, registration, marking and maintenance of our towers. Colombia is divided into 32 departments and one capital district, which is treated as a department (Bogotá also serves as the capital of the department of Cundinamarca). Departments are subdivided into municipalities, each of which is assigned a municipal seat, and municipalities are in turn subdivided into corregimientos in rural areas and into comunas in urban areas. Each department has a local government with a governor and assembly directly elected to four-year terms, and each municipality is headed by a mayor and council. There is a popularly elected local administrative board in each of the corregimientos or comunas. In addition to the capital four other cities have been designated districts (in effect special municipalities), on the basis of special distinguishing features. These are Barranquilla, Cartagena, Santa Marta and Buenaventura. Some departments have local administrative subdivisions, where towns have a large concentration of population and municipalities are near each other (for example in Antioquia and Cundinamarca). Where departments have a low population (for example Amazonas, Vaupés and Vichada), special administrative divisions are employed, such as "department corregimientos", which are a hybrid of a municipality and a corregimiento. The majority of existing infrastructure in remote areas, including buildings, open spaces such as parks and squares, legacy fixed-line telecoms infrastructure and public utilities, is owned by governments and public institutions.

For infrastructure deployment and antenna siting, mobile operators and tower companies need to obtain local approvals from municipalities for each antenna or tower site. The absence of a clear national policy can lead to each municipality adopting its own policy and procedures that are sometimes in conflict with the technical requirements of deploying mobile networks.

B. Liquidity and Capital Resources.

Overview

The Company is a development stage company and prior to the completion of the Tower Three Transaction in 2017 had no regular cash inflows. Selected financial data pertaining to liquidity and capital resources for the fiscal years ended December 31, 2021, 2020 and 2019 is presented below.

Comparison of Years Ended December 31, 2021, 2020 and 2019

Period ended	2021	2020	Change between 2021 and 2020	2019	Change between 2020 and 2019
	\$	\$	\$	\$	\$
Cash	1,059,386	122,759	936,627	56,629	66,130
Current Assets	7,554,418	1,691,241	5,863,177	2,959,907	(1,268,666)
Current Liabilities	24,303,734	20,815,824	3,487,910	20,018,665	797,159
Working Capital	(16,749,316)	(19,124,583)	2,375,267	(17,058,758)	(2,065,825)
Accumulated deficit	(32,247,379)	(25,352,460)	(6,894,919)	(23,585,459)	(1,767,001)
Cash used in operations	(5,416,863)	398,219	(2,008,355)	3,119,626	(2,721,407)
Cash flows from financing Activities	8,373,029	1,048,786	7,324,293	74,684	972,102
Interest Income	Nil	Nil	Nil	Nil	Nil

As of December 31, 2021, the Company had cash of \$1,059,386 (compared with \$122,759 for fiscal year 2020 and \$56,629 for fiscal year 2019) and working capital of (\$16,749,316) (compared with (\$19,124,583) for fiscal year 2020 and (\$17,058,758) for fiscal year 2019). Working capital is calculated as current assets less current liabilities.

Cash increased by \$936,627 in fiscal year 2021 compared to 2020.

In 2021, the Company received cash in the amount of \$12,388,018 in proceeds from new loans.

During the year ended December 31, 2021, the Company spent \$5,834,167 primarily on building towers for continuing operations, compared to \$2,656,546 on December 31, 2020.

Working Capital increased by \$2,375,267 in fiscal year 2021 compared to fiscal year 2020 primarily due to the decrease for the accounts receivable balance, asset held for sale due to the dispositions, the increase for the accounts payable and accrue liabilities (\$332K) and the increase for the interest payable.

Current liabilities increased by \$3,487,910 for the fiscal year ended December 31, 2021 compared to the fiscal year ended December 31, 2020 primarily due to the increase of the loans, including the reclassification from non-current to current for the bonds payable that was partially offset by the reduction of the customer deposits due to the towers sold during the year.

Contributed Surplus

Contributed Surplus, which arises from the recognition of the estimated fair value of stock options and warrants, was \$1,678,992 in 2021 compared to \$1,706,089 for fiscal year 2020. During the year ended December 31, 2021, a total of 921,780 warrants expired unexercised. Upon expiry of the warrants, \$33,535 was reversed from contributed surplus to deficit. The decrease in contributed surplus in 2021 compared to 2020 was primarily due to expiry of the warrants.

Share Capital

At December 31, 2021, the Company's share capital was \$17,481,406 comprising 100,473,582 issued and outstanding Common Shares. (2020 - \$16,900,668 comprising 94,103,732 issued and outstanding Common Shares). On April 30, 2020, the Company issued 714,286 common shares as a penalty to the holders of the convertible debentures, with a fair value of \$24,286. The fair value of the penalty was not readily determinable, as such, the common shares were valued at the fair value of common shares on grant date.

Operating Activities

Cash used in operating activities during fiscal year 2021 was \$5,416,863 (compared with \$398,219 for fiscal year 2020 and \$3,119,626 for fiscal year 2019). The increase in cash utilized in operating activities during fiscal year 2021 as compared to fiscal year 2020 was primarily the result of increase in impairment.

Investing Activities

Net cash used in investing activities was \$2,073,663, \$1,379,208, and \$3,482,264 in fiscal year ended December 31, 2021, 2020 and 2019, respectively. Cash used in investing activities in 2021 primarily included cash used for the construction of cellular towers that was partially offset with the cash received from the sale of towers during 2021.

Financing Activities

The Company's cash inflows from financing activities were \$8,373,029 in 2021 which was primarily the result the compensation of all the of repayments of debt and the new debt incurred during the year. The Company's cash inflows from financing activities were \$1,048,786 in 2020 which was primarily the result the compensation of all the of repayments of debt and the new debt incurred during the year.

Capital Expenditures

The Company incurred capital expenditures of \$5,834,167, \$2,656,546, and \$3,634,144 in 2021, 2020 and 2019 respectively. The expense in capital expenditures over the years is primarily due to cellular tower construction.

Borrowings

Outstanding Loans

As of December 31, 2021, there were an aggregate of \$14,321,874 in loans outstanding. The details of such loans are as follows:

2021	2020	Currency	Terms
\$	\$		
1,423,139	1,356,793	USD	Unsecured, due on demand
317,330	–	Colombian Pesos	Secured, repayable quarterly until Oct 2027.
2,538,643	–	Colombian Pesos	Secured, due on demand.
3,820,652	412,567	Colombian Pesos	Secured, due on completion of related projects
5,288,629	614,265	Colombian Pesos	Secured, due on April 2028
676,115	790,309	Colombian Pesos	Unsecured, due on Oct 2023
42,677	79,567	Colombian Pesos	Unsecured, repayable monthly until May 2023
93,468	150,984	Colombian Pesos	Unsecured, repayable monthly until Dec 2023
121,221	148,245	Mexican Pesos	Unsecured, due on demand
–	31,857	Argentine Pesos	Unsecured, due on demand
14,321,874	3,584,587		

4,208,925	3,440,732	Current portion of loans payable
10,112,949	143,855	Long term portion of loans payable
14,321,874	3,584,587	

During the year ended December 31, 2021, the Company has incurred interest expense of \$432,576 on the loans payable, of which \$307,863 (US\$240,875) remains payable and has been recorded within interest payable on the consolidated statement of financial position.

Bonds

From December 31, 2021, until April 29, 2022, the Company issued a total of 14,977 bonds included in the Units sold in the Fourth Tranche of the Bond Financing. During the year ended December 31, 2021, the Company issued a total of 1,499 bonds in the first three tranches of the Bond Financing. Each Unit was issued a price of \$100, paid in cash or in exchange for existing bonds of the Company. In the year ended December 31, 2020, no bonds were issued by the Company. In the year ended December 31, 2019, the Company issued a total of 9,880 bonds at a price of \$100 each for gross proceeds of \$988,000. The bonds are secured against all present and after-acquired personal property of the Company, incur interest at a rate of 10% paid monthly, and mature September 30, 2022, or September 30, 2023, respectively. In connection with the bonds issued in the Bond Financing, the Company issued 1,468,434 Agent Warrants and paid a cash commission of \$58,369 to an EMD.

Future Liquidity

At December 31, 2021, the Company had an accumulated deficit of \$32,247,379, which has been funded primarily by loans from related parties and third parties.

Consequently, the Company's ongoing operations are dependent on the Company's ability to generate sufficient revenues in the future, receive continued financial support and complete equity financings. The Company may not be able to generate sufficient cash flows from its operations in the foreseeable future to support its working capital needs and may have to rely on funding through future equity issuances and short term borrowings to finance ongoing operations and the construction of cellular towers. Based upon the current level of our operations and our current expectations for future periods in light of the current economic environment, we believe that cash flow from our operations and available cash, will not be adequate to finance the capital requirements for our business during the next 12 months without additional funding through future equity issuances and short term borrowings, which will depend on market conditions. Additionally, in the future we may make acquisitions of businesses or assets or commitments to additional capital projects. To achieve the long-term goals of expanding our assets and earnings, including through acquisitions, additional capital resources will be required. Depending on the size of a transaction, the capital resources that will be required can be substantial. The necessary resources will be generated from cash flow from operations, cash on hand, borrowing against our assets or the issuance of securities.

In order to finance the Company's future operations and to cover administrative and overhead expenses the Company may raise money through equity sales. Many factors influence the Company's ability to raise funds, including the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. Should those risks fully materialize, it may not be able to raise adequate funds to continue its operations.

C. Research and development, patents and licenses, etc.

Research and development activities are not material to the Company's business or operations and consequently, the Company had no research and development policies during of the last three years.

D. Trend Information

Other than as disclosed elsewhere in this Form 20-F, we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Off Balance Sheet Arrangements

The Company is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of

operations, liquidity, capital expenditures or capital resources.

F. Tabular Disclosure of Contractual Obligations

Other than as disclosed below, we do not have any contractual obligations as of December 31, 2021, relating to long-term debt obligations, capital (finance) lease obligations, operating lease obligations, purchase obligations or other long-term liabilities reflected on our latest fiscal year end balance sheet. The payments in the table below include estimated future principal and interest payments on our contractual obligations.

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 3 years	4 – 5 Years	After 5 years
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	10,039,853	10,039,853	10,039,853	–	–	–
Interest payable	668,805	668,805	294,826	–	–	373,979
Loans payable	14,321,874	14,321,874	4,208,925	232,288	95,266	9,785,395
Loans from related parties	1,560,394	1,560,394	1,560,394	–	–	–
Bonds payable	1,905,577	1,905,577	–	1,905,577	–	–
Lease liability	2,332,405	8,871,097	790,036	2,370,107	1,397,191	4,389,367
Total	30,828,908	30,828,908	16,894,034	4,507,973	1,492,456	14,548,741

Item 6. Directors, Senior Management and Employees

Directors and Senior Management

The following table sets forth certain information relating to our directors and executive officers:

Name and Position	Principal Occupation for Past Five Years	Date of Appointment to Office	Common Shares Held	Percentage of Common Shares Outstanding ⁽¹⁾
Alejandro Ochoa Interim Chief Financial Officer, Interim Secretary, President, Chief Executive Officer & Director	Founder and CEO of Tower Three SAS; and consultant to Mackie Research Capital Corporation’s investment banking practice with a Latin American focus	January 12, 2017	12,005,000	11.95%
Luis Parra Chief Operating Officer	Partner and co-founder of QMC Colombia; Partner and co-founder of Ingeant SA.	August 15, 2017	Nil	Nil
Fabio Alexander Vasquez Director	Co-founder of Tower Three, and has been engaged in the Florida aviation business for over 25 years.	January 12, 2017	12,000,000	11.94%
Robert Nicholas Horsley Director	Director of Evolving Gold Corp (Since March 4, 2014) Owner of Marksman Geological Ltd Owner of Cervus Business Management Inc. Partner in Howe And Bay Financial Corp Former Chief Executive Officer of the Company.	February 1, 2016	Nil	Nil
Hugo Ochoa Director	Owner and operator of SAP Truck & Auto Parts Corporation. Owns and operates commercial Real Estate properties in Colombia	September 9, 2020	8,118,055	8.08%

(1) As of December 31, 2021 we had 100,473,582 Common Shares outstanding.

Each of our directors will serve until the next annual meeting of our shareholders. None of our directors have service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

The Company's Audit Committee consists of Alejandro Ochoa, Fabio Vasquez and Robert Horsley.

Set forth below is certain biographical information furnished to us by our directors and executive officer. No director or executive officer was appointed as a director or officer of the Company pursuant to any arrangement or understanding with any major shareholder, customer, supplier or other person.

Alejandro Ochoa – President & Chief Executive Officer and Director (Age: 41)

Mr. Ochoa has over 18 years of experience working within the financial services industry. He has worked with such firms as Morgan Stanley, Prudential Securities and Raymond James. Mr. Ochoa served as consultant/shareholder to Mackie Research Capital Corporation's Investment Banking Practice with a Latin America focus. Mr. Ochoa is fluent in Spanish and has an understanding of the South American capital markets.

Dedicated to Latin America, his areas of expertise include mining and energy transactions, capital raisings and strategic asset sales with a focus on Colombia, Mexico, and Peru. He has also covered telecom infrastructure companies from the United States, Argentina, and Colombia. Mr. Ochoa has a Bachelors in Science with a focus in Finance from Florida International University. Mr. Ochoa is the son of one of our directors, Hugo Ochoa.

Luis Parra (Age: 51)

Mr. Parra is an executive with more than 25 years of professional experience within oil & gas, constructions and telecommunications corporations.

Prior to joining the Company, Mr. Parra worked as Country Manager at the multinational QMC Telecom, before that he co-founded Ingeant S.A. a company dedicated to construction in different industries, mainly Oil & Gas and Telecommunications.

Mr. Parra holds a Civil Engineer degree from Universidad Nacional de Colombia with post graduate education in the fields of corporate finance, project management and project evaluation.

Fabio Alexander Vasquez, Director (Age: 55)

Mr. Vasquez is a co-founder of Tower Three and has been engaged in the Florida aviation business for over 25 years. He has been instrumental in the development and expansion of Miami Executive Aviation, a successful luxury charter aviation business which services Latin American clients. Mr. Vasquez is a citizen of Colombia who has decades of experience working in Colombia.

Robert Horsley, Director (Age: 40)

Mr. Robert "Nick" Horsley has over 10 years of public markets experience focused in finance, investor relations, marketing management and merger & acquisitions. Mr. Horsley has served as a director and a consultant to several public and private companies and has worked in a variety of industries including consumer goods, energy, mining, oil & gas, nutraceuticals & pharmaceuticals, and technology. He is also a director of Evolving Gold Corp. (since March 15, 2015) and is the chief executive officer of Fortify Resources Inc. (since November 15, 2015), each a CSE listed company.

Hugo Ochoa (Age: 67)

Hugo Ochoa is a self-made entrepreneur who has a proven track record in operating international operations in his commercial Truck/Auto parts business, SAP Truck & Auto Parts Corp. He has successfully run his Truck/Auto parts business for over 40 years. As CEO of SAP, he has secured distribution of numerous global automotive companies and created the company's individual brands manufactured in China and distributed globally. In addition to SAP, Mr. Ochoa owns and operates commercial real estate in Colombia. Mr. Ochoa is the father of our Alejandro Ochoa, our President, Chief Executive Officer, interim Chief Financial Officer, interim Corporate Secretary and a Director

B. Compensation.

Remuneration

The Company's Board of Directors (the "**Board**") may determine remuneration to be paid to the directors and officers. The Compensation Committee of the Board (the "**Compensation Committee**") assists the Board in reviewing and approving the compensation structure for the directors and officers.

Compensation of Directors and Executive Officers, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each named executive officers and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the named executive officer or director for services provided and for services to be provided, directly or indirectly, to the Company:

Name and Position	Fiscal Year Ended	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Alejandro Ochoa, Director, President, CEO, Interim CFO and Interim Corporate Secretary	2021	267,392	Nil	Nil	Nil	Nil	267,392
	2020	468,300	Nil	Nil	Nil	Nil	468,300
Santiago Rossi, Former CFO	2021	17,000	Nil	Nil	Nil	Nil	17,000
	2020	336,300	Nil	Nil	Nil	Nil	336,300
Luis Parra, COO	2021	207,165	Nil	Nil	Nil	Nil	207,165
	2020	320,300	Nil	Nil	Nil	Nil	320,300
Fabio Alexander Fasquez, Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Robert Horsely, Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Hugo Ochoa Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Alejandro Ochoa was appointed as the President, CEO and a director of the Company on January 12, 2017. In addition, on January 31, 2021, Alejandro Ochoa was appointed as the Interim CFO and Interim Corporate Secretary.
- (2) Santiago Rossi was the CFO of the Company from March 1, 2019 until January 31, 2021.
- (3) Luis Parra was appointed as the COO of the Company on August 15, 2017.
- (4) Fabio Alexander Fasquez was appointed as a director of the Company on January 12, 2017.
- (5) Robert Horsely was appointed as a director of the Company on February 2, 2016.
- (6) Hugo Ochoa was appointed as a director of the Company on September 9, 2020.

We do not pay or set aside any amounts for pension, retirement or other benefits for our officers and directors.

We provide directors and officer's liability and company reimbursement insurance to cover all of our directors and officers against losses arising from claims we indemnify for. Our current insurance coverage expired on January 1, 2021, however, we intend to renew the insurance.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and named executive officer by the Company or any subsidiary thereof in the year ended December 31, 2021 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Alejandro Ochoa, Director, President, CEO, Interim CFO and Interim Corporate Secretary	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Santiago Rossi, Former CFO	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Luis Parra, COO	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Fabio Alexander Fasquez, Director	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Robert Horsely, Director	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Hugo Ochoa, Director	N/A	N/A	Nil	Nil	Nil	Nil	Nil

Exercise of Compensation Securities by Directors and Named Executive Officers

The following table sets out each exercise by a director or named executive officers of compensation securities during the year ended December 31, 2021:

Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised (#)	Exercise Price per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Alejandro Ochoa, Director, President, CEO, Interim CFO and Interim Corporate Secretary	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Santiago Rossi, Former CFO	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Luis Parra, COO	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Fabio Alexander Vasquez, Director	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Robert Horsely, Director	N/A	N/A	Nil	Nil	Nil	Nil	Nil
Hugo Ochoa, Director	N/A	N/A	Nil	Nil	Nil	Nil	Nil

Equity Compensation Plan Information as of December 31, 2021

Plan Category	Column (a) Number of securities to be issued upon exercise of outstanding options or upon vesting	Column (b) Weighted-average exercise price of outstanding options	Column (c) Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	3,275,000 ⁽¹⁾	\$0.30	16,819,716
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	3,275,000	\$0.30	16,819,716

- (1) Includes 1,275,000 stock options exercisable at a price of \$0.30 each and 2,000,000 performance share units (“PSUs”) convertible into Common Shares upon achievement of vesting, being the exchange of at least 60% of all Existing Bonds for Units in the Bond Financing. On January 10, 2022, the Company issued 2,000,000 Common Shares on conversion of the PSUs which vested.
- (2) Based on the Company’s issued and outstanding common shares of 100,473,582 as at December 31, 2020.

The Company does not have any equity compensation plans that were not approved by shareholders.

2021 Equity Incentive Plan

The Board adopted a stock option plan (the “**Option Plan**”), which was approved by shareholders on May 20, 2016 at the Our Board adopted an omnibus equity incentive plan on August 16, 2021 (the “**2021 Equity Incentive Plan**”) which was ratified by the shareholders of the Corporation at the Corporation’s Annual General Meeting on September 22, 2021. The 2021 Equity Incentive Plan replaced the Company’s previous stock option plans (the “**Previous Option Plans**”). The 2021 Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the 2021 Equity Incentive Plan, shall not exceed 20% of the Company’s issued and outstanding Common Shares from time to time, such number being 20,094,716 as at December 31, 2021. The 2021 Equity Incentive Plan is considered an “evergreen” plan, since the Common Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the 2021 Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Common Shares increases.

The 2021 Equity Incentive Plan also provides that the aggregate number of Common Shares (a) issuable to insiders at any time (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding Common Shares and (b) issued to insiders within any one year period (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding Common Shares. Any Common Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the 2021 Equity Incentive Plan.

The Plan Administrator (as defined in the 2021 Equity Incentive Plan) is determined by the Board, and is initially the Board. The 2021 Equity Incentive Plan may in the future continue to be administered by the Board itself or delegated to a committee of the Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the 2021 Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine. In addition, the Plan Administrator interprets the 2021 Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the 2021 Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2021 Equity Incentive Plan.

All directors, employees and consultants are eligible to participate in the 2021 Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the 2021 Equity Incentive Plan is determined in the sole and absolute discretion of the Plan Administrator.

Awards of Stock Options, RSUs and PSUs may be made under the 2021 Equity Incentive Plan. All of the awards are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan

Administrator, in its sole discretion, subject to such limitations provided in the 2021 Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the 2021 Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

As at December 31, 2021, there were 2,000,000 PSUs outstanding which were convertible into Common Shares upon achievement of vesting, being the exchange of at least 60% of all Existing Bonds for Units in the Bond Financing. On January 10, 2022, the Company issued 2,000,000 Common Shares on conversion of the PSUs which vested.

As at December 31, 2021, the following stock options were outstanding and exercisable:

Options outstanding	Options exercisable	Exercise price	Remaining life (years)	Expiry Date
		\$		
325,000	325,000	0.45	0.21	March 17, 2022
950,000	950,000	0.25	1.13	February 17, 2023
1,275,000	1,275,000	0.30	0.90	

Employment Agreements

For the year ended December 31, 2021, other than as set forth below, the Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

The Company entered into an employment agreement with Mr. Alejandro Ochoa effective October 31, 2018 with regards to his employment as the President and Chief Executive Officer of the Company. The agreement is for an indefinite term and will continue until such time unless earlier terminated. Pursuant to the agreement, the Company has agreed to pay Mr. Ochoa a base salary of \$240,000 annually. The Company actually paid Mr. Ochoa a total of \$267,392. The discrepancy was as a result of approximately \$2,000 per month related to health insurance payments and an adjustment of monthly compensation. Mr. Ochoa is also eligible, on each anniversary of the agreement, commencing on January 1, 2019, to (a) the equivalent of one (1%) percent of the total issued common shares of the Company, or (b) two (2%) percent of the total issued common shares of the Company, for any complete year that the Company (including Affiliates) has three hundred (300) or more Co-location Tenants (as that term is defined in the employment agreement).

The Company entered into an employment agreement with Mr. Luis Parra effective October 31, 2018 with regards to his employment as the Chief Operating Officer of the Company. The agreement is for an indefinite term and will continue until such time unless earlier terminated. Pursuant to the agreement, the Company has agreed to pay Mr. Parra a base salary of \$180,000 annually. The Company actually paid Mr. Parra a total of \$207,165. The discrepancy was as a result of approximately \$2,000 per month related to health insurance payments and an adjustment of monthly compensation. Mr. Parra is also eligible to earn a cash bonus for each completed tower and Co-location Tenants (as that term is defined in the employment agreement) that are in place as at December 31st each year. In addition, on each anniversary of the agreement, commencing on January 1, 2019, Mr. Parra is eligible to earn the equivalent of one (1%) percent of the total issued common shares of the Company.

The Company entered into an employment agreement with Mr. Santiago Rossi on October 31, 2018 and effective March 31, 2019 with regards to his employment as the Chief Financial Officer of the Company. Pursuant to the agreement, the Company agreed to pay Mr. Rossi a base salary of \$180,000 annually. Mr. Rossi was also eligible to earn a cash bonus for each completed tower and Co-location Tenants (as that term is defined in the employment agreement) that were in place as at December 31st each year. In addition, on each anniversary of the agreement, commencing on January 1, 2019, Mr. Rossi was eligible to earn the equivalent of one (1%) percent of the total issued common shares of the Company. The agreement, which was for an indefinite term, was terminated in February 2021.

Corporate Governance

Composition of the Board

In order to attempt to facilitate its exercise of independent supervision over management, the Company's board of directors (the "**Board**") has established a goal that the Board be composed of a majority of independent directors. However, because of the Company's size and limited operating history the Board has not been able to recruit enough candidates for the Board in order to meet this goal. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In establishing the standard for what qualifies as an independent director, the Board has adopted the independence standard outlined in National Instrument 58-101 – Disclosure of Corporate Governance Practices, which is applicable to Canadian public companies. The Board currently has four directors. As defined in NI 52-110, Mr. Ochoa, the Company's Chief Executive Officer and President, is not "independent", as he is an executive officer of the Company, and Messrs. Horsley and Vasquez are independent.

The mandate of the Board is to act in the best interests of the Company and to supervise management. The Board is responsible for approving long-term strategic plans and annual operating budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. Any responsibility which is not delegated to management or to the committees of the Board remains with the Board. The Board meets on a regular basis consistent with the state of the Company's affairs and also from time to time as deemed necessary to enable it to fulfill its responsibilities.

The Chairman of the Board is Mr. Alejandro Ochoa, who is not an independent director as he is interim Chief Financial Officer, Chief Executive Officer and President.

Duties of Directors

Under British Columbia law, our directors have a duty of loyalty to act honestly in good faith with a view to our best interest. Our directors also have a duty to exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with the Company's articles. A shareholder has the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our Board include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- issuing authorized but unissued Common Shares and redeeming or purchasing outstanding Common Shares;
- declaring dividends and distributions;
- appointing officers and determining the term of office and compensation of officers;
- exercising the borrowing powers of our Company and mortgaging the property of our Company; and
- approving the transfer of Common Shares, including the registering of such Common Shares in our share register.

Position Descriptions

The Board has not developed written position descriptions for the chair or the chair of any Board committees or for the CEO. Given the size of the Company and the existence of only a small number of officers, the Board does not feel that it is necessary at this time to formalize position descriptions in order to delineate their respective responsibilities.

Nomination of Directors

The Company does not have a formal process or committee for proposing new nominees for election to the Board. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members.

Qualification

There is no shareholding qualification for directors.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's technologies, business and industry and on the responsibilities of directors. New directors also receive historical public

information about the Company and the mandates of the committees of the Board. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, new directors are encouraged to visit and meet with management on a regular basis and to pursue continuing education opportunities where appropriate.

Assessments

The Board regularly assesses its own effectiveness and the effectiveness and contribution of each Board committee member and director.

Interested Transactions

A director may vote with respect to any contract or transaction in which he or she is interested, provided that the nature of the interest of any director in such contract or transaction is disclosed by him or her at or prior to its consideration and any vote in that matter.

Board Committees

Our Board has established an audit committee but does not currently have a compensation committee.

Audit Committee

The Audit Committee has various responsibilities as set forth in Multilateral Instrument 52-110 ("**MI 52-110**"). The Audit Committee oversees the accounting and financial reporting practices and procedures of the Company and the audits of the Company's financial statements. The principal responsibilities of the Audit Committee include: (i) overseeing the quality, integrity and appropriateness of the internal controls and accounting procedures of the Company, including reviewing the Company's procedures for internal control with the Company's auditors and Interim Chief Financial Officer; (ii) reviewing and assessing the quality and integrity of the Company's internal and external reporting processes, its annual and quarterly financial statements and related management discussion and analysis, and all other material continuous disclosure documents; (iii) establishing separate reviews with management and external auditors of significant changes in procedures or financial and accounting practices, difficulties encountered during auditing, and significant judgments made in management's preparation of financial statements; (iv) monitoring compliance with legal and regulatory requirements related to financial reporting; (v) reviewing and pre-approving the engagement of the auditor of the Company and independent audit fees; and (vi) assessing the Company's accounting policies, and considering, approving, and monitoring significant changes in accounting principles and practices recommended by management and the auditor.

Audit Committee Charter

The Audit Committee Charter is filed as an exhibit to this Form 20-F.

Composition of the Audit Committee

As noted above, the members of the Audit Committee are Alejandro Ochoa, Fabio Vasquez and Robert Horsley. All members of the Audit Committee are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

Please see above for the biographies of Alejandro Ochoa and Robert Horsley.

Pre-Approval Policies on Certain Exemptions

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Company's auditors have not provided any material non-audit services.

Compensation Committee

The Company does not currently have a compensation committee as the Board performs the functions that a compensation committee would normally perform.

D. Employees

As of December 31, 2021, the Company employed 68 individuals in the following countries:

Country	Employee Head Count
Colombia	55
Argentina	5
Ecuador	1
Mexico	3
USA	4

The Company outsources site acquisition, tower manufacturing and civil works to third parties. As of December 31, 2021, the Company had 44 third parties outsourced in each of the above categories as follows:

Outsourced Services	Site Acquisition	Tower Manufacture	Civil Works
Colombia	10	5	15
Ecuador	2	2	2
Mexico	2	3	3

E. Share Ownership.

The following table sets forth, as of December 31, 2021: (a) the names of each beneficial owner of more than five percent (5%) of our Common Shares known to us, the number of shares of common stock beneficially owned by each such person, and (b) the names of each director and officer, the number of shares our common stock beneficially owned, and the percentage of our common stock so owned, by each such person, and by all of our directors and executive officers as a group. Each person has sole voting and investment power with respect to the shares of our common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Position	Common Shares Held	Percentage of Common Shares Outstanding⁽¹⁾	Percentage of Votes Held
Alejandro Ochoa President, Chief Executive Officer, Interim Chief Financial Officer, Interim Corporate Secretary & Director	12,005,000	11.95%	11.95%
Luis Parra, Chief Operating Officer	Nil	Nil	Nil
Fabio Alexander Vasquez Director	12,000,000	11.94%	11.94%
Robert Nicholas Horsley Director	Nil	Nil	Nil

Name and Position	Common Shares Held	Percentage of Common Shares Outstanding ⁽¹⁾	Percentage of Votes Held
Hugo Ochoa	8,118,055	8.08%	8.08%

(1) Based on 100,473,582 Common Shares outstanding on December 31, 2021.

As at December 31, 2021 the registrar and transfer agent for our company reported that there were 100,473,582 common shares of our company issued and outstanding. Of these, 49,655,207 were registered to Canadian residents, including 45,982,347 shares registered to CDS & Co., which is a nominee of the Canadian Depository for Securities Limited. The 49,655,207 shares were registered to 106 shareholders in Canada, one of which is CDS & Co. 50,811,944 of our shares were registered to residents of the United States, including 18,589,876 shares registered to CEDE & Co., which is a nominee of Depository Trust Company. The 50,811,944 shares were registered to 9 shareholders in the United States, one of which is CEDE & Co. 6,431 of our shares were registered to residents of other foreign countries (1 shareholder).

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders.

Please refer to Item 6.E, “Share Ownership”.

B. Related Party Transactions.

The following section outlines the material transactions or loans between our Company and: (a) enterprises that directly or indirectly through one or more intermediaries control or are controlled by, or are under common control with, our Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of our Company that gives them significant influence over our Company, and close members of any such individual’s family; (d) key management personnel of our Company, including directors and senior management of our Company and close members of such individuals’ families; or (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence.

Loans payable to related parties include loans and advances received from related individuals and companies. As at December 31, 2021 and December 31, 2020, the Company had the following loan balances with related parties:

2021	2020	Currency	Rate	Terms
\$	\$			
1,560,394	3,839,459	USD	12%-18%	Unsecured, due on demand
–	18,546	Colombian Pesos	0%	Unsecured, due on demand
–	12,743	Argentine Pesos	18%	Unsecured, due on demand
1,560,394	3,870,748			

In connection with certain related party loans, the Company incurred monthly penalty fees of 10% until June 30, 2018 once the loans reached their initial maturity dates. During the year ended December 31, 2018, the Company paid finance expenses of \$528,132 (US\$407,500) in connection with these monthly penalties.

As at December 31, 2018, the Company had advanced \$224,976 to related parties in connection with costs to be incurred on behalf of the Company. This amount was included within other receivables on the consolidated statement of financial position. The amounts advanced are unsecured, non-interest bearing and due on demand. During the year ended December 31, 2019, the Company deemed these amounts to be uncollectable and wrote off the balance.

During the year ended December 31, 2021, the Company has incurred interest expense of \$702,495 (US\$549,717) (2020 – \$352,439 (US\$262,994)) in connection with the related party loans noted above. As at December 31, 2021, \$168,741 (2020 – \$562,260) of unpaid interest and loan penalties have been included within interest payable on the consolidated statement of financial position.

January 2019

In January 2019, the Company renegotiated the loans with three of the related party lenders to extend the maturity date of the loans.

In consideration for the extension of the maturity date of the loans, the Company agreed to incur total penalties of \$212,312 (US\$160,000) which were added to the principal balance of the loans. In addition, the Company agreed to add the interest accrued as of the date of renegotiation of \$539,236 (US\$395,259) to the principal balance of the loans. The renegotiation of the loans was deemed to be an extinguishment of the original liabilities and \$212,312 was recorded as a loss on extinguishment.

September 2019

In September 2019, the Company consolidated loan balances with certain related party lenders and extended the maturity date of these amounts to March 30, 2020.

In consideration for the extension of the maturity date of the loans, the Company agreed to issue 2,381,301 share purchase warrants to the holders with a fair value of \$180,714. The share purchase warrants are exercisable at a price of \$0.09 per common share for a period of five years. As at December 31, 2020, these warrants have not yet been issued. The fair value of the obligation to issue the share purchase warrants was calculated using the Black-Scholes model and the following weighted average assumptions:

Share price at date of grant	\$0.08
Exercise price	\$0.09
Expected life	5 years
Expected volatility	174.99%
Risk free interest rate	1.49%
Expected dividend yield	0%
Expected forfeiture rate	0%

The consolidation of the loans and the issuance of the warrants was deemed to be an extinguishment of the original liabilities and \$180,714 was recorded as a loss on extinguishment.

C . Interests of Experts and Counsel.

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

The consolidated financial statements of the Company included with this Form 20-F have been prepared in compliance with International Financial Reporting Standards, as adopted by the International Accounting Standards Board. See “Item 18: Financial Statements”.

Legal Proceedings

The cities of Quilmes, Bolivar and San Rafael filed claims against Evolution for dismantling towers in the respective cities. Quilmes is claiming a fine of \$18,536 (1,489,005 Argentine Pesos). The fines have been accrued by the Company. The outcome of these legal proceedings cannot be determined at December 31, 2021 and no additional amounts have been accrued.

On June 3, 2021, the Company entered into an Asset Transfer Agreement whereby the Company agreed to sell certain towers. Pursuant to the Asset Transfer Agreement, the Company is liable for any claims made relating to the agreement up to a maximum liability amount of \$300,000. The Company estimates that the likelihood of a claim being made is remote and no amounts have been accrued as at December 31, 2021.

Dividend Distributions

We did not declare or pay any dividends to our shareholders in 2021. The actual timing, payment and amount of dividends paid on our Common Shares is determined by our Board, based upon things such as our cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and such other business considerations as our Board considers relevant.

B. Significant Changes

There have been no significant changes since the financial statements.

Item 9. The Offer and Listing

A. Offer and Listing Details

The Company's Common Shares are listed for trading on the CSE under the symbol of "TO", the Frankfurt Stock Exchange under the symbol "IPSN" and are quoted on the Pink Open Market operated by the OTC Markets Group under the symbol "TOWTF".

B. Plan of Distribution

Not applicable.

C. Markets

The Company's Common Shares are currently traded on the CSE under the symbol "TO", the Frankfurt Stock Exchange under the symbol "IPSN" and are quoted on the Pink Open Market operated by the OTC Markets Group under the symbol "TOWTF".

D. Selling Shareholders

Not applicable.

E. Dilution

Not Applicable.

F. Expense of the Issue

Not Applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are organized under the laws of the Province of British Columbia, Canada and have been assigned the number BC1056802.

Our Articles do not contain a description of our objects and purposes.

Our Articles do not restrict a director's power to vote on a proposal, arrangement or contract in which the director is materially interested, vote on compensation to themselves or any other members of their body in the absence of an independent quorum or exercise borrowing powers. There is no mandatory retirement age for our directors and our directors are not required to own securities of our company in order to serve as directors.

Our Articles provide that the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures or other securities whether outright or as security for any debt obligations of the Company or of any third party.

Our authorized capital consists of an unlimited number of Class A common shares without par value. The holders of Common Shares are entitled to vote at all meetings of the Company's shareholders, to receive dividends, if, as and when declared by the Board, and, subject to the rights of holders of any shares ranking in priority to, or on parity with the Common Shares, to participate ratably in any distribution of property or assets upon the liquidation, winding-up, or other dissolution of the Company. The Common Shares are not subject to any future call or assessments and do not have any pre-emptive rights or redemption rights.

There are no limitations specific to the rights of non-Canadians to hold or vote our common shares under the laws of Canada or British Columbia, or in our charter documents.

Our Articles provide for the election of directors at each annual general meeting. Each director holds office until the next annual general meeting of our shareholders or until his successor is elected or appointed, unless his office is earlier vacated in accordance with our Articles or with the provisions of the BCBCA.

An annual meeting of shareholders must be held at such time in each year that is not later than 15 months after the last preceding annual meeting and at such place as our Board may from time to time determine. The quorum for the transaction of business at any meeting of shareholders is two persons who are entitled to vote at the meeting in person or by proxy and who hold in aggregate at least 5% of the issued shares entitled to be voted at the meeting. Only persons entitled to vote, our directors and auditors and others who, although not entitled to vote, are otherwise entitled or required to be present, are entitled to be present at a meeting of shareholders.

Other than not specifically providing a mechanism for shareholders to call a special meeting, our Articles do not contain any provisions that would have an effect of delaying, deferring or preventing a change in control of our Company. Our Articles also do not contain any provisions that would operate only with respect to a merger, acquisition or corporate restructuring of our Company.

Our Articles do not contain any provisions governing the ownership threshold above which shareholder ownership must be disclosed.

Our Articles are not significantly different from the requirements of the BCBCA and the conditions imposed by our Articles governing changes in capital are not more stringent than what is required by the BCBCA.

C. Material Contracts

Except for contracts entered into by the Company in the ordinary course of business, the only material contracts entered into by the Company in the previous two years are the following:

- (a) On January 16, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of ARS\$2,113,800. The loan is unsecured, bears interest at 18% per annum and is due on demand. The loan was fully settled in August 2021.
- (b) On March 19, 2020 the Company and KW Capital Partners Limited and Plazacorp Investments Ltd. further extended the term of certain convertible debentures to June 2020. In consideration for the extension of financing terms with existing lenders, the Company reached an agreement with such lenders to pay a penalty to be satisfied by issuing 714,286 common shares. During the year ended December 31, 2020, the Company issued the 714,286 common shares, with a fair value of \$24,286, and recorded the penalty as interest expense in the consolidated statement of comprehensive loss. In June 2020, the Company repaid the convertible debenture balance of \$745,000 in full. With this repayment, the Company repaid in full the convertible debenture loan balance and discharged the security interest associated with the loan.
- (c) On May 21, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP\$250,000,000. The loan is unsecured, bears interest at 10.67% per annum, and is repayable through monthly installments until May 2023. As at December 31, 2021, a principal amount of CDN\$42,677 (COP\$134,488,293) remains outstanding.
- (d) On October 14, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP\$2,130,633,223. The loan is unsecured, bears interest at 12% per annum, and is due in October 2023. As at December 31, 2021, a principal amount of CDN\$676,115 (COP\$2,130,633,223) remains outstanding.
- (e) On November 10, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of MXN\$2,311,865. The loan is unsecured, bears interest at nil% per annum, and is due on demand. As at December 31, 2021, a principal amount of CDN\$121,221 (MXN\$1,948,351) remains outstanding.
- (f) On December 21, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP\$405,000,000. The loan is unsecured, bears interest at 5.905% per annum, and is

repayable through monthly installments until December 2023. As at December 31, 2021, a principal amount of \$93,468 (COP\$294,545,457) remains outstanding.

- (g) The Company entered into loan agreements with various shareholders whereby the Company was loaned an aggregate principal amount of USD\$1,113,663. The loans are unsecured, bear interest ranging from 0% to 18% per annum, and are due on demand. As at December 31, 2021, aggregate principal amounts of \$1,423,139 (USD\$1,113,663) remains outstanding.
- (h) On March 11, 2021, the Company entered into a loan agreement with Itau Corpbanca Colombia SA (“**Itau**”) whereby the Company was loaned a total of COP\$31,632,000,000 for the purpose of funding the development of certain towers. The loan is secured against the towers funded by the loan proceeds, as well as the economic rights for collection of tower rents relating to such towers, bears interest at 4.615% plus IBR 6 months per annum and is due in September 2030.
- (i) On April 2, 2021, the Company entered into a collaboration agreement with Commerk S.A.S. (“**Commerk**”) to operate collaboratively on the development, construction and operation of telecommunication projects in Columbia., whereby Commerk will provide equity contributions towards each individual tower projects operated under the collaboration agreement. The equity contributions are secured against the towers constructed and operated for each project as well as the economic rights for collection of tower rents relating to such towers, bear interest at 6.2% per annum, and are due upon completion of the related projects. Prior to the collaboration agreement, the Company received preliminary equity contributions totaling COP\$4,536,891,697. As at December 31, 2021 the principal amount of equity contributions of CDN\$3,820,652 remains outstanding.
- (j) On September 1, 2021, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP\$1,000,000,000. The loan is secured against a financial guarantee provided by the Fondo Nacional De Garantias S.A., bears interest at 10.11% per annum, and is repayable through quarterly installments until October 2027. As at December 31, 2021, a principal amount of CDN\$317,330 (COP\$1,000,000,000) remains outstanding.
- (k) On September 14, 2021, the Company entered into a loan agreement with Itau whereby the Company was loaned a total of COP\$40,463,000,000 for the purpose of funding the development of certain towers. The loan is secured against the towers funded by the loan proceeds as well as the economic rights for collection of tower rents relating to such towers, bears interest at 4.39% plus IBR 6 months per annum, and is due in May 2031.
- (l) On October 11, 2021, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP\$8,000,000,000 for the purpose of funding the development of certain towers. The loan is secured against the economic rights for collection of revenue relating to construction of certain towers under a separate construction contract with a party related to the loanee, bears interest at 7.02% per annum and is due in April 2022. As at December 31, 2021, a principal amount of \$2,538,643 (COP\$8,000,000,000) remains outstanding.

D. Exchange Controls

There are no laws, decrees or regulations in Canada relating to restrictions on the export or import of capital, or affecting the remittance of interest, dividends or other payments to non-resident holders of our Common Shares.

E. Taxation

Canada

Canadian Federal Income Tax Information for United States Residents

TAX MATTERS ARE VERY COMPLICATED AND THE CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON SHARES WILL DEPEND UPON THE STOCKHOLDER’S PARTICULAR SITUATION. THE SUMMARY OF MATERIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS INTENDED TO PROVIDE ONLY A GENERAL SUMMARY AND IS NOT INTENDED TO BE A COMPLETE ANALYSIS OR DESCRIPTION OF ALL POTENTIAL CANADIAN FEDERAL INCOME TAX CONSEQUENCES.

THIS DISCUSSION DOES NOT INCLUDE A DESCRIPTION OF THE TAX LAWS OF ANY PROVINCE OR TERRITORY WITHIN CANADA. ACCORDINGLY, HOLDERS AND PROSPECTIVE HOLDERS OF OUR COMMON SHARES ARE ENCOURAGED TO CONSULT WITH THEIR OWN TAX ADVISERS ABOUT THE

TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES, INCLUDING ANY CONSEQUENCES OF PURCHASING, OWNING OR DISPOSING OF OUR COMMON SHARES ARISING UNDER CANADIAN FEDERAL, CANADIAN PROVINCIAL OR TERRITORIAL, U.S. FEDERAL, U.S. STATE OR LOCAL TAX LAWS OR TAX LAWS OF JURISDICTIONS OUTSIDE THE UNITED STATES OR CANADA.

The following is a summary of certain Canadian federal income tax considerations generally applicable to the holding and disposition of our securities acquired by a holder who, at all relevant times, (a) for the purposes of the Income Tax Act (Canada) (i) is not resident, or deemed to be resident, in Canada, (ii) deals at arm's length with us, and is not affiliated with us, (iii) holds our common shares as capital property, (iv) does not use or hold the common shares in the course of carrying on, or otherwise in connection with, a business carried on or deemed to be carried on in Canada and (v) is not a "registered non-resident insurer" or "authorized foreign bank" (each as defined in the Income Tax Act (Canada)), or other holder of special status, and (b) for the purposes of the Canada-U.S. Tax Convention (the "**Tax Treaty**"), is a resident of the United States, has never been a resident of Canada, does not have and has not had, at any time, a permanent establishment or fixed base in Canada, and who otherwise qualifies for the full benefits of the Tax Treaty. Holders who meet all the criteria in clauses (a) and (b) above are referred to herein as "U.S. Holders", and this summary only addresses such U.S. Holders.

This summary does not deal with special situations, such as the particular circumstances of traders or dealers, tax exempt entities, insurers or financial institutions, or other holders of special status or in special circumstances. Such holders, and all other holders who do not meet the criteria in clauses (a) and (b) above, should consult their own tax advisors.

This summary is based on the current provisions of the Income Tax Act (Canada), the regulations thereunder in force at the date hereof, the current provisions of the Tax Treaty, and our understanding of the administrative and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Income Tax Act (Canada) and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that such Proposed Amendments will be enacted in the form proposed. However, such Proposed Amendments might not be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practices, whether by legislative, governmental or judicial decision or action, nor does it take into account tax laws of any province or territory of Canada or of any other jurisdiction outside Canada, which may differ significantly from those discussed in this summary.

For the purposes of the Income Tax Act (Canada), all amounts relating to the acquisition, holding or disposition of our securities must generally be expressed in Canadian dollars. Amounts denominated in United States currency generally must be converted into Canadian dollars using the rate of exchange that is acceptable to the Canada Revenue Agency.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular U.S. Holder, and no representation with respect to the Canadian federal income tax consequences to any particular U.S. Holder or prospective U.S. Holder is made. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, all prospective purchasers (including U.S. Holders as defined above) should consult with their own tax advisors for advice with respect to their own particular circumstances.

Withholding Tax on Dividends

Amounts paid or credited or deemed to be paid or credited as, on account or in lieu of payment of, or in satisfaction of, dividends on our common shares to a U.S. Holder will be subject to Canadian withholding tax. Under the Tax Treaty, the rate of Canadian withholding tax on dividends paid or credited by us to a U.S. Holder that beneficially owns such dividends and substantiates eligibility for the benefits of the Tax Treaty is generally 15% (unless the beneficial owner is a company that owns at least 10% of our voting stock at that time, in which case the rate of Canadian withholding tax is generally reduced to 5%).

Dispositions

A U.S. Holder will not be subject to tax under the Income Tax Act (Canada) on a capital gain realized on a disposition or deemed disposition of a security, unless the security is "taxable Canadian property" to the U.S. Holder for purposes of the Income Tax Act (Canada) and the U.S. Holder is not entitled to relief under the Tax Treaty.

Generally, our common shares will not constitute "taxable Canadian property" to a U.S. Holder at a particular time unless, at any time during the 60 month period immediately preceding the disposition, more than 50% of the fair market value of such security was derived, directly or indirectly, from one or any combination of: (i) real or immoveable property situated in Canada,

(ii) “Canadian resource properties” (as defined in the Income Tax Act (Canada)), (iii) “timber resource properties” (as defined in the Income Tax Act (Canada)), and (iv) options in respect of, or interests in, or for civil law rights in, property described in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain other circumstances set out in the Income Tax Act (Canada), common shares could also be deemed to be “taxable Canadian property”.

If our common shares become listed on a “designated stock exchange” as defined in the Income Tax Act (Canada) and are so listed at the time of disposition, our common shares generally will not constitute “taxable Canadian property” of a U.S. Holder at that time unless, at any time during the 60 month period immediately preceding the disposition, the following two conditions are met: (i) the U.S. Holder, persons with whom the U.S. Holder did not deal at arm’s length, partnerships in which the U.S. Holder or such non-arm’s length person holds a membership interest (either directly or indirectly through one or more partnerships), or the U.S. Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of our company; and (ii) more than 50% of the fair market value of the shares of our company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Income Tax Act (Canada)), timber resource properties (as defined in the Income Tax Act (Canada)) or options in respect of, or interests in, or for civil law rights in, property described in any of the foregoing whether or not the property exists. Notwithstanding the foregoing, in certain other circumstances set out in the Income Tax Act (Canada), common shares could also be deemed to be “taxable Canadian property”.

U.S. Holders who may hold common shares as “taxable Canadian property” should consult their own tax advisors with respect to the application of Canadian capital gains taxation, any potential relief under the Tax Treaty, and special compliance procedures under the Income Tax Act (Canada), none of which is described in this summary.

United States Federal Income Tax Information for United States Holders.

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from the acquisition, ownership and disposition of our securities. This summary applies to U.S. Holders that hold our common shares as capital assets. This summary applies only to U.S. Holders that acquire securities pursuant to this prospectus and does not apply to any subsequent U.S. Holder of our common shares.

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the acquisition, ownership and disposition of our common shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any particular U.S. Holder. In addition, this summary does not address the U.S. federal alternative minimum, net investment income, U.S. federal estate and gift, U.S. Medicare contribution, U.S. state and local, or non-U.S. tax consequences of the acquisition, ownership or disposition of our common shares. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. **Each U.S. Holder should consult its own tax advisor regarding all U.S. federal, U.S. state and local and non-U.S. tax consequences of the acquisition, ownership and disposition of our common shares.**

No opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the “IRS”) has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership or disposition of our common shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, or contrary to, any position taken in this summary. In addition, because the authorities upon which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

Scope of This Disclosure

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the “Canada-U.S. Tax Convention”), and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date hereof. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis, which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holders

For purposes of this summary, the term “U.S. Holder” means a beneficial owner of our common shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions; or (ii) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Transactions Not Addressed

This summary does not address the tax consequences of transactions effected prior or subsequent to, or concurrently with, any purchase of common shares pursuant to this prospectus (whether or not any such transactions are undertaken in connection with the purchase of common shares pursuant to this prospectus).

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations of the acquisition, ownership or disposition of our securities by U.S. Holders that are subject to special provisions under the Code, including, but not limited to, the following: (a) tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) broker-dealers, dealers, or traders in securities or currencies that elect to apply a “mark-to-market” accounting method; (d) U.S. Holders that have a “functional currency” other than the U.S. dollar; (e) U.S. Holders that own our securities as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) U.S. Holders that acquire our securities in connection with the exercise of employee stock options or otherwise as compensation for services; (g) U.S. Holders that hold our securities other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); and (h) U.S. Holders that own directly, indirectly, or by attribution, 10% or more, by voting power, of our outstanding stock.

This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Income Tax Act (Canada); (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold our securities in connection with carrying on a business in Canada; (d) persons whose securities in our company constitute “taxable Canadian property” under the Income Tax Act (Canada); or (e) persons that have a permanent establishment in Canada for purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding all U.S. federal, U.S. state and local, and non-U.S. tax consequences (including the potential application and operation of any income tax treaties) relating to the acquisition, ownership or disposition of our common shares.

If an entity or arrangement that is classified as a partnership (or other “pass-through” entity) for U.S. federal income tax purposes holds our common shares, the U.S. federal income tax consequences to such partnership and the partners (or other owners) of such partnership of the acquisition, ownership or disposition of our common shares generally will depend on the activities of the partnership and the status of such partners (or other owners). This summary does not address the U.S. federal income tax considerations for any such partner or partnership (or other “pass-through” entity or its owners). Owners of entities and arrangements that are classified as partnerships (or other “pass-through” entities) for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the acquisition, ownership or disposition of our common shares.

Acquisition of Our Securities

A U.S. Holder generally will not recognize gain or loss upon the acquisition of our securities for cash pursuant to this prospectus. A U.S. Holder’s holding period for such common shares will begin on the day after the acquisition.

Ownership and Disposition of Our Common Shares

Distributions on Our Common Shares

Subject to the “passive foreign investment company” (“PFIC”) rules discussed below (see “*Tax Consequences if Our Company is a PFIC*”), a U.S. Holder that receives a distribution, including a constructive distribution, with respect to our common shares will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated “earnings and profits”

of our company, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of our company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder’s tax basis in our common shares and thereafter as gain from the sale or exchange of such common shares (see “Sale or Other Taxable Disposition of Our Common Shares” below). However, we may not maintain calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by our company with respect to our common shares will constitute a dividend. Dividends received on our common shares generally will not be eligible for the “dividends received deduction” available to U.S. corporate shareholders receiving dividends from U.S. corporations. If our company is eligible for the benefits of the Canada-U.S. Tax Convention or our common shares are readily tradable on an established securities market in the U.S., dividends paid by our company to non-corporate U.S. Holders generally will be eligible for the preferential tax rates applicable to long-term capital gains, provided certain holding period and other conditions are satisfied, including that our company not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The amount of any distribution or proceeds paid in Canadian dollars to a U.S. Holder in connection with the ownership of our common shares, will be treated in the manner described below under “**Receipt of Foreign Currency.**” If a U.S. Holder is subject to Canadian withholding tax on dividends paid on the holder’s common shares, the U.S. Holder may be eligible to claim a foreign tax credit as described below under “**Foreign Tax Credit.**” The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Our Common Shares

Subject to the PFIC rules discussed below, upon the sale or other taxable disposition of our common shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such U.S. Holder’s tax basis in the common shares sold or otherwise disposed of. Such capital gain or loss will be long-term capital gain or loss if, at the time of the sale or other taxable disposition, the U.S. Holder’s holding period for such security is more than one year. Preferential tax rates apply to long-term capital gains of non-corporate U.S. Holders. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code. Any gain or loss recognized from the sale, exchange or other disposition of common shares will generally be gain or loss from sources within the United States for U.S. foreign tax credit purposes, except as otherwise provided in an applicable income tax treaty and if an election is properly made under the Code. See “**Foreign Tax Credit**” below.

PFIC Status of Our Company

If our company is or becomes a PFIC, the preceding sections of this summary may not describe the U.S. federal income tax consequences to U.S. Holders of the ownership and disposition of our common shares. The U.S. federal income tax consequences of owning and disposing of our common shares if our company is or becomes a PFIC are described below under the heading “**Tax Consequences if Our Company is a PFIC.**”

A non-U.S. corporation is a PFIC for each tax year in which (i) 75% or more of its gross income is passive income (as defined for U.S. federal income tax purposes) (the “income test”) or (ii) on average for such tax year, 50% or more (by value) of its assets either produce or are held for the production of passive income (the “asset test”). For purposes of the PFIC provisions, “gross income” generally includes sales revenues less cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” generally includes dividends, interest, certain rents and royalties, and certain gains from commodities or securities transactions. In determining whether or not it is a PFIC, a non-U.S. corporation is required to take into account its pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value). Under certain attribution and indirect ownership rules, if our company is a PFIC, U.S. Holders will generally be deemed to own their proportionate shares of our company’s direct or indirect equity interest in any company that is also a PFIC (a “**Subsidiary PFIC**”).

If certain conditions are met, a start-up non-U.S. corporation is not a PFIC in the first year that it has gross income, but it could be a PFIC in one or more earlier years in which it has no gross income but satisfies the asset test. Assets that produce or are held for the production of passive income include cash, even if held as working capital or raised in a public offering, marketable securities and other assets that may produce passive income. The percentage of a corporation’s assets that produce or are held for the production of passive income generally is determined based upon the average ratio of passive assets to total assets calculated at the end of each fiscal quarter. On December 4, 2020, the Treasury and IRS published a set of final and proposed regulations and guidance on PFICs. Among other changes that were made in the final regulations, a change in the computation of the 50% passive asset test described above will be implemented that will close off any alternative method of calculating assets that was advantageous to taxpayers. Taxpayers must calculate the value of assets at the end of each measuring period, then use the “weighted average” of those values to determine the value of assets for the passive asset test for the taxable year. Under the old rules, the “weighted average” arguably could be calculated based on value, or percentage. Final regulations section 1.1297-1(d)(1)(i) now requires the weighted average to be calculated based on the average value at the end of each measuring period (generally each of the four quarters that make up the company’s taxable year, unless an election is made to use an alternative measuring period (such as a week or month)). In addition, in new proposed regulations section 1.1297-1(d)(2), a limited exception to the treatment of working capital to take into account the short-term cash needs of operating companies was provided for purposes of measuring the passive asset test. This new rule provides that an amount of

cash held in a non-interest bearing account that is held for the present needs of an active trade or business and is no greater than the amount reasonably expected to cover 90 days of operating expenses incurred in the ordinary course of the trade or business of the foreign corporation (for example, accounts payable for ordinary operating expenses or employee compensation) is not treated as a passive asset. The Treasury Department and the IRS indicated that they continue to study the appropriate treatment of working capital for purposes of the passive asset test.

Although the tests for determining PFIC status are applied as of the end of each taxable year and are dependent upon a number of factors, some of which are beyond our control, including the value of our assets, the market price of our common shares, and the amount and type of our gross income we do not believe that we were a PFIC for the taxable year ended December 31, 2021. Our status as a PFIC is a fact-intensive determination made on an annual basis, and we cannot provide any assurance regarding our PFIC status for the taxable year ending December 31, 2022 or for subsequent taxable years. U.S. Holders who own our common shares for any period during which we are a PFIC will be required to file IRS Form 8621 for each tax year during which they hold our common shares. No opinion of legal counsel or ruling from the IRS concerning our status as a PFIC has been obtained or is currently planned to be requested. However, the determination of our PFIC status is made annually after the close of each taxable year and it is difficult to predict before such determination whether we will be a PFIC for any given taxable year. Even if we determine that we are not a PFIC after the close of a taxable year, there can be no assurance that the IRS will agree with our conclusion. No assurance can be provided regarding our PFIC status, and neither we nor our United States counsel expresses any opinion with respect to our PFIC status.

Tax Consequences if Our Company is a PFIC

If our company is a PFIC for any tax year during which a U.S. Holder owns our common shares, special rules may increase such U.S. Holder's U.S. federal income tax liability with respect to the ownership and disposition of such common shares. If our company meets the income test or the asset test for any tax year during which a U.S. Holder owns our common shares, our company will be treated as a PFIC with respect to such U.S. Holder for that tax year and for all subsequent tax years, regardless of whether our company meets the income test or the asset test for such subsequent tax years, unless the U.S. Holder (i) elects to recognize any unrealized gain in such common shares or (ii) makes a timely and effective election to treat our company and each Subsidiary PFIC as a "qualified electing fund" (a "QEF") under Section 1295 of the Code (a "**QEF Election**") or (iii) makes a timely and effective "mark-to-market" election under Section 1296 of the Code (a "**Mark-to-Market Election**").

Under the default PFIC rules, where no QEF Election or Mark-to-Market Election is made:

- any gain realized on the sale or other disposition (including dispositions and certain other events that would not otherwise be treated as taxable events) of our common shares (including an indirect disposition of the stock of any Subsidiary PFIC) and any "excess distribution" (defined as a distribution to the extent it, together with all other distributions received in the relevant tax year, exceeds 125% of the average annual distribution received during the preceding three years) received on our common shares or with respect to the stock of a Subsidiary PFIC will be allocated ratably to each day of such U.S. Holder's holding period for our common shares;
- the amount allocated to the current tax year and any year prior to the first year in which our company was a PFIC will be taxed as ordinary income in the current year;
- the amount allocated to each of the other tax years (the "**Prior PFIC Years**") will be subject to tax at the highest ordinary income tax rate in effect for the applicable class of taxpayer for that year;
- an interest charge will be imposed with respect to the resulting tax attributable to each Prior PFIC Year, which interest charge is not deductible by non-corporate U.S. Holders; and
- any loss realized on the disposition of our common shares generally will not be recognized.

A U.S. Holder that makes a timely and effective QEF election or Mark-to-Market election (as discussed below) may generally mitigate or avoid the PFIC consequences described above with respect to our common shares. These adverse tax consequences also would not apply to a pension or profit-sharing trust or other tax-exempt organization that did not borrow funds or otherwise utilize leverage in connection with its acquisition of our common shares. In addition, if a non-electing U.S. Holder who is an individual dies while owning our common shares, such U.S. Holder's successor generally would not receive a step-up in tax basis with respect to such common shares, but instead would have a tax basis equal to the lower of the fair market value of such common shares or the decedent's tax basis in such common shares.

QEF Election. If a U.S. Holder makes a timely and effective QEF Election, the U.S. Holder must include currently in gross income each year its pro-rata share of our company's ordinary income and net capital gains, regardless of whether such income and gains are actually distributed. Thus, a U.S. Holder could have a tax liability with respect to such ordinary income or gains without a corresponding receipt of cash from our company. If our company is a QEF with respect to a U.S. Holder, the U.S. Holder's basis in our common shares will be increased to reflect the amount of the taxed but undistributed income. Distributions of income that had previously been taxed will result in a corresponding reduction of basis in our common

shares and will not be taxed again as a distribution to a U.S. Holder. Taxable gains on the disposition of our common shares by a U.S. Holder that has made a timely and effective QEF Election are generally capital gains and the denial of the basis step-up at death described above would not apply. A U.S. Holder must make a QEF Election on IRS Form 8621 for our company and each Subsidiary PFIC if it wishes to have this treatment. To make a QEF Election, a U.S. Holder will need to have an annual information statement from our company setting forth the ordinary income and net capital gains for the year. In the event we become a PFIC, we do not intend to provide all information and documentation that a U.S. shareholder making a QEF election is required to obtain for U.S. federal income tax purposes (e.g., the U.S. shareholder's pro rata share of ordinary income and net capital gain, and a "PFIC Annual Information Statement" as described in applicable U.S. Treasury regulations). In general, a U.S. Holder must make a QEF Election on or before the due date for filing its income tax return for the first year to which the QEF Election applies. Under applicable Treasury Regulations, a U.S. Holder will be permitted to make retroactive elections in particular circumstances, including if it had a reasonable belief that our company was not a PFIC and filed a protective election. Each U.S. Holder should consult its own tax advisor regarding the availability and desirability of, and procedure for, making a timely and effective QEF Election for our company and any Subsidiary PFIC.

Mark-to-Market Election. As an alternative to a QEF Election, a U.S. Holder may also mitigate the adverse tax consequences of PFIC status by timely making a Mark-to-Market Election, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury regulations. A Mark-to-Market Election may be made with respect to "marketable stock" in a PFIC if such stock is "regularly traded" on a "qualified exchange or other market" (within the meaning of the Code and the applicable Treasury Regulations). A class of stock that is traded on one or more qualified exchanges or other markets is considered to be "regularly traded" for any calendar year during which such class of stock is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter. If our common shares are considered to be "regularly traded" within this meaning, then a U.S. Holder generally will be eligible to make a Mark-to-Market Election with respect to such security but not with respect to a Subsidiary PFIC. Upon closing, our common shares will be listed or posted for trading on a stock quotation system and therefore should be considered to be "regularly traded" for this purpose. Whether our common shares are regularly traded on a qualified exchange is an annual determination based on facts that, in part, are beyond our control. When these securities become "regularly traded," a U.S. Holder that makes a timely and effective Mark-to-Market Election with respect to such securities generally will be required to recognize as ordinary income in each tax year in which our company is a PFIC an amount equal to the excess, if any, of the fair market value of such stock as of the close of such taxable year over the U.S. Holder's adjusted tax basis in such stock as of the close of such taxable year. A U.S. Holder's adjusted tax basis in our securities generally will be increased by the amount of ordinary income recognized with respect to such stock. If the U.S. Holder's adjusted tax basis in our securities as of the close of a tax year exceeds the fair market value of such stock as of the close of such taxable year, the U.S. Holder generally will recognize an ordinary loss, but only to the extent of net mark-to-market income recognized with respect to such stock for all prior taxable years. A U.S. Holder's adjusted tax basis in our securities generally will be decreased by the amount of ordinary loss recognized with respect to such stock. Any gain from a sale, exchange or other disposition of the common shares in any taxable year in which we are a PFIC (i.e., when we meet the gross income test or asset test described above) would be treated as ordinary income and any loss from a sale, exchange or other disposition would be treated first as an ordinary loss (to the extent of any net mark-to-market gains previously included in income) and thereafter as a capital loss. If we cease to be a PFIC, any gain or loss recognized by a U.S. Holder on the sale or exchange of the common shares would be classified as a capital gain or loss. Capital losses are subject to significant limitations under the Code. If a Mark-to-Market Election with respect to our common shares is in effect on the date of a U.S. Holder's death, the tax basis of the common shares in the hands of a U.S. Holder who acquired them from a decedent will be the lesser of the decedent's tax basis or the fair market value of the common shares. Each U.S. Holder should consult its own tax advisor regarding the availability and desirability of, and procedure for, making a timely and effective Mark-to-Market Election with respect to our common shares.

Election Tax Risks. Certain economic risks are inherent in making either a QEF election or a mark-to-market election. If a QEF election is made, it is possible that earned income will be reported to a U.S. Holder as taxable income and income taxes will be due and payable on such an amount. A U.S. Holder of our common shares may pay tax on such "phantom" income, i.e., where income is reported to it pursuant to the QEF Election, but no cash is distributed with respect to such income. There is no assurance that any distribution or profitable sale will ever be made regarding our common shares, so the tax liability may result in a net economic loss. A mark-to-market election may result in significant share price gains in one year causing a significant income tax liability. This gain may be offset in another year by significant losses. If a mark-to-market election is made, this highly variable tax gain or loss may result in substantial and unpredictable changes in taxable income. The amount included in income under a mark-to-market election may be substantially greater than the amount included under a QEF election. Both the QEF and mark-to-market elections are binding on the U.S. Holder for all subsequent years that the U.S. Holder owns our shares unless permission to revoke the election is granted by the IRS.

Purging Election. If we are a PFIC at any time when a U.S. Holder holds our common shares, we will generally continue to be treated as a PFIC with respect to the U.S. Holder for all succeeding years during which the U.S. Holder holds our common shares even if we cease to meet the PFIC gross income test or asset test in a subsequent year. However, if we cease to meet these tests, a U.S. Holder can avoid the continuing impact of the PFIC rules by making a special election (a "**Purging Election**") to recognize gain by making a "deemed sale" election with respect to all of the U.S. Holder's common shares and have such common shares deemed to be sold at their fair market value on the last day of the last taxable year during

which we were a PFIC. The shareholder makes a purging election under Code section 1298(b)(1) and regulations section 1.1298-3 on IRS Form 8621 attached to the shareholder's tax return (including an amended return), or requests the consent of the IRS Commissioner to make a late election under Code section 1298(b)(1) and regulations section 1.1298-3(e) ("late purging election") on Form 8621-A. In addition, for a U.S. Holder making such an election, a new holding period would be deemed to begin for our common shares for purposes of the PFIC rules. After the Purging Election, the common shares with respect to which the Purging Election was made will not be treated as shares in a PFIC unless we subsequently again become a PFIC.

Each U.S. person who is a shareholder of a PFIC generally must file an annual report (on IRS Form 8621) with the IRS containing certain information, and the failure to file such report could result in the imposition of penalties on such U.S. person and in the extension of the statute of limitations with respect to federal income tax returns filed by such U.S. person.

The U.S. federal income tax rules relating to PFICs are very complex. U.S. Holders are urged to consult their own tax advisors with respect to the purchase, ownership and disposition of common shares, the consequences to them of an investment in a PFIC, any elections available with respect to the common shares and the IRS information reporting obligations with respect to the purchase, ownership and disposition of common shares in the event we are considered a PFIC.

Foreign Tax Credit

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax in connection with the ownership or disposition of our common shares may be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all creditable foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a non-U.S. corporation should be treated as foreign source for this purpose, and gains recognized on the sale of securities of a non-U.S. corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to our common shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Special rules apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution, including a constructive distribution, from a PFIC. Subject to such special rules, non-U.S. taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult its own tax advisor regarding their application to the U.S. Holder.

Receipt of Foreign Currency

The amount of any distribution or proceeds paid in Canadian dollars to a U.S. Holder in connection with the ownership, sale or other taxable disposition of our common shares, will be included in the gross income of a U.S. Holder as translated into U.S. dollars calculated by reference to the exchange rate prevailing on the date of actual or constructive receipt of the payment, regardless of whether the Canadian dollars are converted into U.S. dollars at that time. If the Canadian dollars received are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the Canadian dollars equal to their U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in Canadian dollars and engages in a subsequent conversion or other disposition of the Canadian dollars may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method with respect to foreign currency. Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of Canadian dollars.

Information Reporting; Backup Withholding

Under U.S. federal income tax law, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a non-U.S. corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of "specified foreign financial assets" includes not only financial accounts maintained in non-U.S. financial institutions, but also, if held for investment and not in an account maintained by certain financial institutions, any stock or security issued by a non-U.S. person, any financial instrument or contract that has an issuer or counterparty other than a U.S. person and any interest in a non-U.S. entity. A U.S. Holder may be subject to these reporting

requirements unless such U.S. Holder's shares of our common shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns on IRS Form 8938 for specified foreign financial assets, filing obligations relating to the PFIC rules including possible reporting on IRS Form 8621, and any other applicable reporting requirements.

Payments made within the U.S. or by a U.S. payor or U.S. middleman of (a) distributions on our common shares, and (b) proceeds arising from the sale or other taxable disposition of our common shares generally will be subject to information reporting. In addition, backup withholding, currently at a rate of 24%, may apply to such payments if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number ("TIN") (generally on Form W-9), (b) furnishes an incorrect U.S. TIN, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. TIN and that the IRS has not notified such U.S. Holder that it is subject to backup withholding. Certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding rules are allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. The information reporting and backup withholding rules may apply even if, under the Canada-U.S. Tax Convention, payments are exempt from dividend withholding tax or otherwise eligible for a reduced withholding rate.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

Certain Reporting Requirements

A U.S. Holder that acquires common shares generally will be required to file Form 926 with the IRS if (1) immediately after the acquisition such U.S. Holder, directly or indirectly, owns at least 10% of the common shares, or (2) the amount of cash transferred in exchange for common shares during the 12-month period ending on the date of the acquisition exceeds US\$100,000. Significant penalties may apply for failing to satisfy these filing requirements. U.S. Holders are urged to contact their tax advisors regarding these filing requirements.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL U.S. TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ACQUISITION, OWNERSHIP OR DISPOSITION OF OUR COMMON SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.

F. Dividends and Paying Agents

Not applicable.

G. Statements by Experts

Not applicable.

H. Documents on Display

You may read and copy any reports or other information that we file through the Electronic Data Gathering, Analysis and Retrieval system through the SEC's website on the Internet at <http://www.sec.gov>.

I. Subsidiary Information

Not applicable

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to changes in market prices, including interest rates and foreign exchange rates, of financial instruments that may adversely impact our consolidated financial position, results of operations or cash flows.

Inflation-related risks

In May 2018, the Argentinean Peso underwent a severe devaluation resulting in Argentina's three-year cumulative inflation

exceeding 100% in 2018, and consequently for the years ended December 31, 2018, 2019, 2020 and 2021, the Company determined that Argentina was in a state of hyperinflation. In 2021 the inflation was 50,94% compared to 2020. The Company's subsidiary, Evotech, operates in Argentina and the functional currency of Evotech is the Argentinian Peso.

Although we do not believe that inflation has had a material impact on our revenues or income over the past two fiscal years, the hyperinflationary situation in Argentina helped contribute to a gain on net monetary position of \$120,357 in 2021 compared to the \$318,659 reported for 2020 and further increases in inflation in Argentina or the other markets in which we operate could result in increases in our expenses, which may not be readily recoverable in the price of goods or services provided to our clients. To the extent that inflation results in rising interest rates and has other adverse effects on capital markets, it could adversely affect our financial position and profitability.

Financial Instruments and Risk

Fair values

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

The following table summarizes the carrying values of the Company's financial instruments:

	2021	2020	2019
		\$	\$
Financial assets at fair value through profit or loss (i)	1,059,386	122,759	56,629
Loans and receivables (ii)	4,819,388	1,166,502	1,808,397
Other financial liabilities (iii)	25,922,121	11,823,616	9,359,225

- (i) Cash
- (ii) Amounts receivable.
- (iii) Bank indebtedness, accounts payable, due to related parties and loans payable

The Company provides information about financial instruments that are measured at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

The Company's cash is measured using Level 1 fair value measurements.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. 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 a high credit quality financial institution.

With respect to its accounts receivable, the Company assesses the credit rating of all customers and maintains provisions for potential credit losses, and any such losses to date have been within management's expectations. The Company's credit risk with respect to accounts receivable and maximum exposure thereto is \$4,819,388 (2019 - \$1,808,397). Accounts receivable are shown net of provision of credit losses of \$7,617 (2019 - \$179,868).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company's ability to collect its revenue in a timely manner, continuous support from shareholders and investors and maintain sufficient cash on

hand. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through issuances of equity and debt or partnering transactions.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The following table summarizes the maturities of the Company's financial liabilities as at December 31, 2021 based on the undiscounted contractual cash flows:

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 3 years	4 – 5 Years	After 5 years
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	10,039,853	10,039,853	10,039,853	–	–	–
Interest payable	668,805	668,805	294,826	–	–	373,979
Loans payable	14,321,874	14,321,874	4,208,925	232,288	95,266	9,785,395
Loans from related parties	1,560,394	1,560,394	1,560,394	–	–	–
Bonds payable	1,905,577	1,905,577	–	1,905,577	–	–
Lease liability	2,332,405	8,871,097	790,036	2,370,107	1,397,191	4,389,367
Total	30,828,908	30,828,908	16,894,034	4,507,973	1,492,456	14,548,741

The Company has a working capital deficiency as of December 31, 2021, of \$16,749,316. Customer deposits consist of funds received from customers in advance of towers sold. As of December 31, 2021, the Company received \$5,301,501 (2020 – \$5,621,307) in customer deposits.

Currency Risk

The Company generates revenues and incurs expenses and capital expenditures primarily in Canada, Colombia, Argentina, USA and Mexico and is exposed to the resulting risk from changes in foreign currency exchange rates. Some administrative and head office related expenses are incurred in Canada. In addition, the Company holds financial assets and liabilities in foreign currencies that expose the Company to foreign exchange risks. Assuming all other variables remain constant, a 15% weakening or strengthening of the Colombia Peso, Argentina Peso, US dollar and Mexican Peso against the Canadian dollar would result in approximately \$470,007 foreign exchange loss or gain in the consolidated statement of comprehensive loss.

The Company has not hedged its exposure to currency fluctuations. On December 31, 2021, the Company had the following financial instruments denominated in foreign currencies:

	Argentine Pesos	Colombian Pesos	Mexican Pesos	United States Dollars	Total
	\$	\$	\$	\$	\$
Cash	95,002	750,276	8,891	130,955	985,125
Amounts receivable	433,233	6,608,587	419,240	692	7,461,725
Accounts payable and accrued liabilities	(159,733)	(7,145,543)	(584,213)	(480,830)	(8,370,319)
Customer deposits	–	(4,382,299)	(917,284)	(1,917)	(5,301,501)
Interest payable	–	(465,313)	–	–	(465,313)
Lease liability	–	(2,244,504)	(87,901)	–	(2,332,405)
Loans payable	–	(12,777,514)	(121,221)	–	(12,898,735)
Loans from related parties	–	–	–	–	–
Net	368,502	(19,656,310)	(1,282,488)	(351,100)	(20,921,396)

Interest Rate Risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. Loan payables have a fixed interest rate between 12% and 18%, and cash earns interest at a nominal rate. The Company is not exposed to significant interest rate risk.

Other Price Risk

The Company is not subject to other price risk.

Item 12. Description of Securities Other Than Equity Securities

Not applicable.

Part II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

As of December 31, 2021, the end of the period covered by this annual report, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) under the Securities Exchange Act of 1934). Our principal executive and financial officers supervised and participated in this evaluation. Based on this evaluation, our principal executive and financial officers each concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report. The design of any system of controls is based in part upon various assumptions about the likelihood of future events, and there can be no assurance that any of our plans, products, services or procedures will succeed in achieving their intended goals under future conditions.

Changes in Internal Control

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15f and 15d-15(f) of the Securities Exchange Act of 1934) that occurred during the period covered by this report that have materially affected, or are likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining internal control over financial reporting as defined in Rules 13a-15(f) and 15(d)-15(f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making this assessment management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on our assessment and the criteria discussed above, management believes that, as of December 31, 2021, the Company's internal control over financial reporting was effective.

Item 16A. Audit Committee Financial Experts

The Board has determined that Fabio Alexander Vazquez qualifies as an "audit committee financial expert" and is "independent", as such term is used in Nasdaq Marketplace Rule 5605(a)(2).

Item 16B. Code of Ethics

The Board has approved a Code of Business Conduct and Ethics (the "Code"), which is filed herewith as an exhibit to this

Form 20-F to be followed by the Company's directors, officers, employees and principal consultants and those of its subsidiaries. The Code is also to be followed, where appropriate, by the Company's agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid conflicts of interest, protect confidential or proprietary information and comply with the applicable government laws and securities rules and regulations. The Board does not actively monitor compliance with the Code but requires prompt notification of apparent or actual breaches so that it may investigate and take action. The Code has been circulated to all employees.

The Company has not granted a waiver, including an implicit waiver, from a provision the Code during the last fiscal year.

Item 16C. Principal Accountant Fees and Services

The Company's independent registered auditors are Smythe LLP, Chartered Professional Accountants, with a business address at #1700 – 475 Howe Street, Vancouver, British Columbia, Canada V6C 2B3. Smythe LLP, Chartered Professional Accountants, are members of the Chartered Professional Accountants of British Columbia and are registered with both the Canadian Public Accountability Board and the U.S. Public Company Accounting Oversight Board. Smythe LLP, Chartered Professional Accountants, has advised that it is independent with respect to the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia. Smythe LLP, Chartered Professional Accountants were first appointed as the Company's auditors in 2020.

The following table presents fees for professional audit services for the audit of the Company's annual financial statements by Smythe LLP for the fiscal years 2021 and 2020 and fees billed for other services rendered during 2021 and 2020. On March 9, 2020 Manning Elliott LLP resigned as the auditors of the Company and Smythe LLP was appointed as the auditors of the Company. Smythe LLP was engaged as auditors for the fiscal year 2019 and going forward are the auditors for the Company.

	Fiscal 2021	Fiscal 2020	Fiscal 2019
Type of Service/Fee			
Audit Fees (1)	\$ 182,270	\$ 267,115	\$ 290,751
Audit Related Fees (2)	\$ -	\$ -	\$ -
Tax Fees (3)	\$ -	\$ -	\$ -
All Other Fees	\$ -	\$ -	\$ -

(1) Audit Fees consist of fees for professional services rendered for the audit of the company's consolidated financial statements included in its Annual Report on 20-F, the review of the interim financial statements included in its reports filed with the Canadian securities regulators, and for the services that are normally provided in connection with regulatory filings or engagements.

(2) Includes fees associated with assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. This category includes fees related to consultation regarding generally accepted accounting principles.

(3) Tax Fees consist of fees for tax compliance, tax advice and tax planning. The fee includes the preparation of the Company's income tax returns, franchise tax reports, and other tax filings.

Although our Audit Committee currently does not have a formal policy in place to pre-approve all audit and non-audit services provided by our independent auditor and the fees for such non-audit services, the Company's audit committee has adopted a policy to review on an annual basis the performance, objectivity and independence of our independent auditor.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Company and Affiliated Purchasers

None.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Not applicable.

Item 16H. Mine Safety Disclosure

Not applicable.

Part III

Item 17. Financial Statements

In lieu of responding to this item, we have responded to Item 18 of this annual report.

Item 18. Financial Statements

The Company's audited consolidated financial statements for fiscal year ended December 31, 2021, as required under Item 18 are attached hereto starting on page F-1 of this Form 20-F. All of the financial information is presented herein in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

TOWER ONE WIRELESS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE SHAREHOLDERS AND DIRECTORS OF TOWER ONE WIRELESS CORP.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Tower One Wireless Corp. (the "Company") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive loss, changes in equity (deficiency) and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations, has a net working capital deficiency, and may not be able to amend, refinance, or pay off its debt, that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

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Critical Audit Matter

Critical audit matters are matters arising from the current-period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

Smythe LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2020.

Vancouver, Canada
May 2, 2022

Vancouver

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TOWER ONE WIRELESS CORP.

Consolidated Statements of Financial Position

As at December 31, 2021 and 2020

(Expressed in Canadian Dollars)

	Note	2021 \$	2020 \$
ASSETS (Notes 14 and 15)			
Current Assets			
Cash		1,059,386	122,759
Amounts receivable	23	4,819,388	1,166,502
Prepaid expenses and deposits	11	452,249	371,013
Deferred cost	12	1,223,395	–
Asset held for sale	16	–	30,967
		7,554,418	1,691,241
Long-term prepaid expenses and deposits	11	2,910,956	–
Intangible assets	13	–	1,357,658
Right-of-use assets	14	2,536,594	1,885,433
Property and equipment	15	8,885,003	6,175,128
Total Assets		21,886,971	11,109,460
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current Liabilities			
Accounts payable and accrued liabilities	20	10,039,853	4,368,281
Income tax payable	28	554,777	610,977
Interest payable	18, 19, 20	668,805	650,278
Deferred revenue		–	278,443
Customer deposits	23	5,301,501	5,621,307
Current portion of lease liabilities	14	193,402	92,308
Current portion of loans payable	18	4,208,925	3,440,732
Loans from related parties	20	1,560,394	3,870,748
Current portion of bonds payable	19	1,776,077	1,882,750
		24,303,734	20,815,824
Long-term portion of lease liabilities	14	2,139,003	1,593,370
Long-term portion of loans payable	18	10,112,949	143,855
Long-term portion of bonds payable	19	129,500	–
Total Liabilities		36,685,186	22,553,049
Shareholders' Deficiency			
Share capital	21	17,481,406	16,900,668
Subscriptions receivable	21	(41,600)	(30,000)
Shares issuable	21	130,000	–
Contributed surplus	21	1,678,992	1,706,089
Non-controlling interest	12	(2,825,829)	(4,532,457)
Deficit		(32,247,379)	(25,352,460)
Accumulated other comprehensive income (loss)		1,026,195	(135,429)
Total Shareholders' Deficiency		(14,798,215)	(11,443,589)
Total Liabilities and Shareholders' Deficiency		21,886,971	11,109,460

Approved on behalf of the Board of Directors:

"Alejandro Ochoa""Robert Nicholas Peter Horsley"

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

TOWER ONE WIRELESS CORP.

Consolidated Statements of Comprehensive Loss

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

	Note	2021	2020	2019
		\$	\$	\$
Revenues	24	10,687,626	9,126,082	5,413,594
Cost of sales	15	6,265,803	4,951,013	2,879,546
		4,421,823	4,175,069	2,534,048
Expenses				
Advertising and promotion		235,243	133,726	46,789
Amortization	13, 14, 15	1,436,058	1,260,439	1,261,964
Bad debts		78,056	38,410	150,551
Foreign exchange		(397,940)	540,633	21,576
Interest, financing charges and accretion	14, 18, 19, 20	2,127,429	1,205,657	1,912,553
Maintenance and operations		984,171	942,370	1,001,161
Office and miscellaneous		884,896	869,732	963,460
Professional fees and consulting	20	1,780,545	2,395,170	2,366,030
Share-based compensation	21	130,000	-	-
Travel		103,369	154,043	214,065
		7,361,827	7,540,180	7,938,149
Loss before other items		(2,940,004)	(3,365,111)	(8,203,072)
Other items				
Loss on extinguishment of debt	20	-	-	(393,026)
Impairment of intangible assets	8,13	(1,056,716)	-	-
Impairment of property and equipment	15	(393,478)	(441,292)	(1,306,767)
Impairment of advances and loans receivable		-	-	(224,975)
Write-off of VAT receivable		-	-	(48,735)
Gain (loss) on net monetary position	4	(118,821)	318,659	(711,090)
		(1,569,015)	(122,633)	144,378
Net loss before income taxes		(4,509,019)	(3,487,744)	(8,088,694)
Current income tax expense	28	(85,269)	(186,560)	(380,863)
Deferred income tax recovery		-	-	322,289
Net loss		(4,594,288)	(3,674,304)	(8,147,268)
Other comprehensive income:				
Foreign exchange translation adjustment		1,139,917	508,446	(327,696)
Comprehensive loss		(3,454,371)	(3,165,858)	(8,474,964)
Net loss attributable to:				
Shareholders of the Company		(4,185,480)	(2,364,633)	(4,977,237)
Non-controlling interest		(408,808)	(1,309,671)	(3,170,031)
Net loss		(4,594,288)	(3,674,304)	(8,147,268)
Other comprehensive income attributable to:				
Shareholders of the Company		1,016,895	373,945	(155,147)
Non-controlling interest		123,022	134,501	(172,549)
Other comprehensive income		1,139,917	508,446	(327,696)
Loss per common share - basic and diluted		\$(0.05)	\$(0.04)	\$(0.13)
Weighted average common shares outstanding		97,423,247	93,867,588	63,389,446

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

TOWER ONE WIRELESS CORP.

Consolidated Statements of Changes in Equity (Deficiency)

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Subscriptions Receivable	Shares Issuable	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Deficiency Attributable to Shareholders of the Company	Non- controlling Interest	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2018	93,389,446	16,876,382	(30,000)	–	2,089,462	(19,009,676)	(354,227)	(428,059)	162,471	(265,588)
Warrants issued	–	–	–	–	608,440	–	–	608,440	–	608,440
Obligation to issue warrants	–	–	–	–	180,714	–	–	180,714	–	180,714
Extinguishment of convertible debenture	–	–	–	–	(574,895)	–	–	(574,895)	–	(574,895)
Adjustment on acquisition of controlled subsidiary	–	–	–	–	–	(106,990)	–	(106,990)	869	(106,121)
Adjustment on disposition of controlled subsidiary	–	–	–	–	–	508,444	–	508,444	(178,047)	330,397
Net loss	–	–	–	–	–	(4,977,237)	–	(4,977,237)	(3,170,031)	(8,147,268)
Other comprehensive loss	–	–	–	–	–	–	(155,147)	(155,147)	(172,549)	(327,696)
Balance, December 31, 2019	93,389,446	16,876,382	(30,000)	–	2,303,721	(23,585,459)	(509,374)	(4,944,730)	(3,357,287)	(8,302,017)
Warrants expired	–	–	–	–	(597,632)	597,632	–	–	–	–
Shares issued as penalty to the convertible debt lenders	714,286	24,286	–	–	–	–	–	24,286	–	24,286
Net loss	–	–	–	–	–	(2,364,633)	–	(2,364,633)	(1,309,671)	(3,674,304)
Other comprehensive income	–	–	–	–	–	–	373,945	373,945	134,501	508,446
Balance, December 31, 2020	94,103,732	16,900,668	(30,000)	–	1,706,089	(25,352,460)	(135,429)	(6,911,132)	(4,532,457)	(11,443,589)
Warrants expired	–	–	–	–	(33,545)	33,545	–	–	–	–
Adjustment on acquisition of controlled subsidiary	6,300,000	569,520	–	–	–	(2,742,984)	144,730	(2,028,734)	1,992,491	(36,243)
Adjustment on acquisition of controlled subsidiary	–	–	–	–	–	–	–	–	(78)	(78)
Units issued for cash – bonds attached	69,850	12,760	(11,600)	–	6,448	–	–	7,608	–	7,608
Share issuance costs	–	(1,542)	–	–	–	–	–	(1,542)	–	(1,542)
Shares issuable for vested PSU's	–	–	–	130,000	–	–	–	130,000	–	130,000
Net loss	–	–	–	–	–	(4,185,480)	–	(4,185,480)	(408,808)	(4,594,288)
Other comprehensive income	–	–	–	–	–	–	1,016,895	1,016,895	123,022	1,139,917
Balance, December 31, 2021	100,473,582	17,481,406	(41,600)	130,000	1,678,992	(32,247,379)	1,026,196	(11,972,385)	(2,825,830)	(14,798,215)

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

TOWER ONE WIRELESS CORP.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021, 2020 and 2019
(Expressed in Canadian Dollars)

	2021	2020	2019
	\$	\$	\$
Cash flows from operating activities			
Net loss	(4,594,288)	(3,674,304)	(8,147,268)
Items not affecting cash:			
Accretion	–	–	107,376
Accrued interest	603,282	493,901	583,883
Amortization	1,436,058	1,260,439	1,261,964
Allowance for VAT	–	–	48,375
Gain on sale of towers	(1,763,936)	(453,216)	(664,446)
Deferred income tax recovery	–	–	(322,289)
Foreign exchange	952,316	962,181	2,719,037
Gain on net monetary position	(64,322)	(1,323,265)	(1,921,376)
Share-based compensation	130,000	–	–
Impairment	1,450,196	441,292	1,306,767
Impairment of advances and loans receivable	–	–	224,975
Loss on extinguishment of debt	–	–	393,026
Changes in non-cash working capital items (Note 25)	(3,566,169)	2,691,191	7,529,242
Cash provided by (used in) operating activities	(5,416,863)	398,219	3,119,626
Cash flows from investing activities			
Cash received from disposition	–	72,396	258,001
Cash paid for acquisitions	(36,243)	–	(106,121)
Cash received in acquisition of T3 Ecuador	1,218	–	–
Cash received on sale of towers	3,795,509	1,204,942	–
Additions of property and equipment	(5,834,167)	(2,656,546)	(3,634,144)
Cash used in investing activities	(2,073,683)	(1,379,208)	(3,482,264)
Cash flows from financing activities			
Units issued for cash, net	6,066	–	–
Repayment of convertible debts	–	(745,000)	(750,000)
Proceeds from (repayment of) bonds payable, net	(49,846)	–	859,560
Loans received	12,388,018	2,533,479	1,173,953
Repayment of loans	(200,694)	(66,258)	(1,467,004)
Loans from related parties	–	713,646	1,969,187
Repayment of loans from related parties	(2,749,778)	(833,951)	(1,140,500)
Lease payments	(1,009,469)	(553,130)	(570,512)
Cash provided by financing activities	8,373,297	1,048,786	74,684
Foreign exchange on cash	42,876	(1,667)	(1,520)
Change in cash	936,627	66,130	(289,474)
Cash, beginning	122,759	56,629	346,103
Cash, ending	1,059,386	122,759	56,629
Property and equipment additions in accounts payable and accrued liabilities	2,433,874	901,653	1,019,581
Cash paid for interest	1,513,947	368,390	635,717
Cash paid for income taxes	–	–	–

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

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tower One Wireless Corp. ("Tower One" or the "Company") is a pure-play, build-to-suit ("BTS") tower owner, operator and developer of multitenant communications structures. The Company's primary business is the leasing of space on communications sites to mobile network operators ("MNOs"). The Company offers tower-related services in the largest Spanish speaking countries in Latin America: Argentina, Colombia and Mexico. These tower-related services include site acquisition, zoning and permitting, structural analysis, and construction which primarily supports the Company's site leasing business, including the addition of new tenants and equipment on its sites. A long-term site lease is in hand with a tenant prior to undergoing construction.

Tower One was incorporated under the laws of the Province of British Columbia, Canada on September 12, 2005. On October 14, 2011, the Company became a reporting company in British Columbia and was approved by the Canadian Securities Exchange ("CSE") and commenced trading on November 16, 2011. The Company's registered office is located at Suite 605, 815 Hornby Street, Vancouver, BC, Canada V6Z 2E6.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, and accordingly, do not purport to give effect to adjustments which may be required should the Company be unable to achieve the objectives above as a going concern. The net realizable value of the Company's assets may be materially less than the amounts recorded in these consolidated financial statements should the Company be unable to realize its assets and discharge its liabilities in the normal course of business. At December 31, 2021, the Company had a working capital deficiency of \$16,749,316 (2020 - \$19,124,583) and an accumulated deficit of \$32,247,379 (2020 - \$25,352,460) which has been funded primarily by loans from related parties and third parties. Ongoing operations of the Company are dependent upon the Company's ability to generate sufficient revenues in the future, receive continued financial support and complete equity financings. These factors raise substantial doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The outbreak of the novel strain of coronavirus ("COVID-19") has resulted in governments worldwide enacting emergency measures to constrain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, self-isolation, physical and social distancing and the closure of non-essential businesses, have caused significant disruption to businesses globally, which has resulted in an uncertain and challenging economic environment. The duration and impact of the COVID-19 pandemic are unknown at this time. COVID-19 did not have a significant impact on the Company's site leasing business and tower sales. Moreover, COVID-19 did not have any impact on the Company's ability to collect receivables from its customers.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were approved and authorized for issue by the Board of Directors on May 2, 2022.

(b) Basis of Presentation and Consolidation

These consolidated financial statements were prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The presentation currency of the consolidated financial statements is Canadian dollars.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (CONTINUED)

(b) Basis of Presentation and Consolidation (continued)

These consolidated financial statements include the accounts of the following entities as at December 31, 2021 and 2020:

Entity	Country	Percentage of ownership		Functional currency
		2021	2020	
Subsidiaries				
Tower One Wireless Corp. ("Tower One")	Canada	Parent	Parent	Canadian dollar
Tower Two SAS ("Tower Two")	Argentina	100%	100%	Argentine Peso
Tower Three SAS ("Tower Three")	Colombia	100%	100%	Colombian Peso
Tower 3 SA ("Tower 3")	Argentina	100%	100%	Argentine Peso
Innervision SAS ("Innervision")	Colombia	100%	100%	Colombian Peso
Evolution Technology SA ("Evolution")	Argentina	91.25%	65%	Argentine Peso
Tower Construction & Technical Services, LLC ("TCTS")	USA	50%	50%	US dollar
Tower One Wireless Mexico S.A. de C.V. ("Mexmaker")	Mexico	90%	90%	Mexican Peso
Towerthree Wireless del Ecuador S.A. ("T3 Ecuador")	Ecuador	90%	N/A	US dollar

All significant inter-company balances and transactions have been eliminated on consolidation. Subsidiaries are entities controlled by the Company. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns. Non-controlling interests in the net assets are identified separately from the Company's deficiency. The non-controlling interest consists of the non-controlling interest as at the date of the original acquisition plus the noncontrolling interest's share of changes in equity or deficiency since the date of acquisition.

(c) Use of Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Actual results may differ from these estimates and assumptions. 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. Revisions to accounting estimates are recognized in the period in which the estimates are 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. Significant areas requiring the use of management estimates include the following:

(i) Intangible Assets – useful lives

The Company records intangible assets purchased in a business combination at their fair value. Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

(ii) Inputs into Black-Scholes model

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration. Shares are valued first at the fair value of goods or services received, and if this not readily determinable, at the fair value of the equity instruments granted at the date the Company receives the goods or services.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (CONTINUED)

(c) Use of Estimates and Judgments (continued)

(ii) Inputs into Black-Scholes model (continued)

The Company measures the cost of equity-settled transactions at the fair value of the equity instruments on the date they are granted. Estimating fair value for share-based compensation transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the underlying common shares, the expected life of the share option, volatility and dividend yield. The fair value of the underlying common shares is assessed as the quoted market price on grant date. The assumptions and models used for estimating fair value for share-based compensation transactions are discussed in Note 21.

(iii) Property and Equipment – useful lives

Amortization is recorded on a declining balance basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the physical condition, technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of towers and equipment resulting in a change in related amortization expense.

(iv) Incremental borrowing rate

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liabilities. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar economic environment.

(v) Allowance for credit losses

The Company provides for doubtful debts by analyzing the historical default experience and current information available about a customer's credit worthiness on an account by account basis. Uncertainty relates to the actual collectability of customer balances that can vary from the Company's estimation. At December 31, 2021, the Company has an allowance for doubtful accounts of \$76,517 (2020 - \$36,381).

(vi) Recoverability of asset carrying values

Determining the amount of impairment of goodwill, intangible assets, and property and equipment requires an estimation of the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period.

Use of Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments with a significant risk of material adjustment in the year:

(i) Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions that raise substantial doubt upon the Company's ability to continue as a going concern. Further information regarding going concern is outlined in Note 1.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (CONTINUED)

(c) Use of Estimates and Judgments (Continued)

(ii) Joint arrangements

As at December 31, 2021, the Company holds 50% interest in a joint arrangement. The Company has joint control of the arrangement whereby the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement on a proportionate basis. Those parties are called joint operators. None of the parties involved have unilateral control of a joint operation. The Company accounts for its interest in joint operations by recognizing its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations. This assessment is performed on a continuous basis.

(iii) Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the consolidated financial statements.

(iv) Compound financial instruments

In accordance with the substance of the contractual arrangement, convertible debentures are compound financial instruments that are accounted for separately by their components: a financial liability and an equity instrument.

The identification of convertible debenture components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount factors and the presence of any derivative financial instruments.

(v) Assets held-for-sale and discontinued operations

Judgment is required in determining whether an asset meets the criteria for classification as "assets held for sale" in the consolidated statements of financial position. Criteria considered by management include the existence of and commitment to a plan to dispose of the assets, the expected selling price of the assets, the expected time frame of the completion of the anticipated sale and the period of time any amounts have been classified within assets held for sale. The Company reviews the criteria for assets held for sale each period and reclassifies such assets to or from this financial position category as appropriate. In addition, there is a requirement to periodically evaluate and record assets held for sale at the lower of their carrying value and fair value less costs to sell.

Judgment is applied in determining whether disposal groups represent a component of the entity, the results of which should be recorded as discontinued operations in the consolidated statements of comprehensive loss.

(vi) Property and equipment and intangibles - impairment

At the end of each reporting period, management makes a judgment whether there are any indications of impairment of its property and equipment and intangibles. If there are indications of impairment, management performs an impairment test on a cash-generating unit basis. The impairment test compares the recoverable amount of the asset to its carrying amount. The recoverable amount is the higher of the asset's value in use (present value of the estimated future cash flows) and its estimated fair value less costs of disposal.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (CONTINUED)

(c) Use of Estimates and Judgments (Continued)

(vii) Determination of functional currency and hyperinflationary economies

The determination of the functional currency for the Company and its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity. The determination of whether an entity operates in a hyperinflationary economy was based on management's judgment of the underlying economic condition of the country the entity operates in.

(viii) Leases

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.

(ix) Modification versus extinguishment of financial liability

Judgment is required in applying IFRS 9 *Financial Instruments* to determine whether the terms of the loan agreement is a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original financial liabilities.

(x) Business combination vs asset acquisition

Judgment is required in determining whether an acquisition of an entity, asset or group of assets is considered a business in accordance with the criteria provided under IFRS 3, *Business Combinations*. The determination of whether an entity, asset, or group of assets is a business is based on management's judgements of whether the entity, asset or group of assets includes inputs, substantive processes and outputs.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements:

Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. To compute diluted loss per share, adjustments are made to common shares outstanding. The weighted average number of common shares outstanding is adjusted to include the number of additional common shares that would be outstanding if, at the beginning of the period or at time of issuance, all options and warrants were exercised. The proceeds from exercise are assumed to be used to purchase the Company's common shares at their average market price during the period. For the years presented, this calculation proved to be anti-dilutive.

Revenue recognition

The Company generates revenues from the supply of various goods and services.

- i. Leasing revenue is derived from lease arrangements to obtain rights to use the Company's equipment. Leases in which a significant portion of the risks and rewards of ownership are retained by the Company are classified as operating leases. Assets under operating leases are included in property and equipment. Leasing revenue from operating leases is recognized as the leasing services are provided.
- ii. Tower sales revenue is recognized when the control over the tower is transferred to the customer. The Company recognizes revenue after: the contract is identified; performance obligations are identified; the transaction price is determined; the transaction price is allocated to the various performance obligations (if multiple performance obligations are identified); and ultimately, once the performance obligation is satisfied.
- iii. Revenues from consulting, installation, technical and maintenance services are recognized when the services are completed. Unbilled revenues represents services performed but not yet billed.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

The results and financial position of a subsidiary whose functional currency is not the currency of a hyperinflationary economy is translated into the presentation currency using the following procedures:

- i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- ii. Income and expenses for each statement presenting profit or loss and other comprehensive income are translated at exchange rates at the dates of the transactions; and
- iii. All resulting exchange differences are recognized in other comprehensive income.

For practical reasons, a rate that approximates the exchange rates at the dates of the transactions, for example an average rate for the period, is often used to translate income and expense items.

For the year ended December 31, 2021, an unrealized foreign exchange translation gain of \$1,139,917 (2020 - \$508,446) was recorded under accumulated other comprehensive loss as a result of changes in the value of the Colombian Peso, Argentine Peso, Mexican Peso and US dollars with respect to the Canadian dollar.

The results and financial position of a subsidiary whose functional currency is the currency of a hyperinflationary economy are translated into the presentation currency using the following procedures:

- i. All amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) are translated at the closing rate at the date of the statement of financial position, except that
- ii. When amounts are translated into a non-hyperinflationary presentation currency (i.e., CAD), comparative amounts remain unchanged from those reported in the prior periods.

When an entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements in accordance with IAS 29 *Financial Reporting in Hyperinflationary Economies* before applying the translation method described above. When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements in accordance with IAS 29, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements.

Property and equipment

Property and equipment is stated at cost less accumulated amortization and accumulated impairment loss. Amortization expense for towers begins in the month of transfer of each tower from construction in progress to towers. Costs not clearly related to the procurement, manufacturing and implementation are expensed as incurred.

Towers represent cellular towers owned by the Company. The towers are operated at various sites and under contractual license agreements.

- Amortization of the towers is calculated on the declining-balance basis over the agreement or lease terms
- Furniture and equipment - between 10% and 33.3% declining balance

Costs of assets in the course of construction are capitalized as construction in progress. Upon completion, the cost of construction is transferred to the appropriate category of property and equipment and amortization commences when the asset is available for its intended use.

An asset's residual value, useful life and amortization method are reviewed at each financial year end and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of the equipment and are recognized in profit or loss.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets consist of master lease agreement acquired by the Company. Acquired lease agreements are carried at cost less accumulated amortization and impairment losses. Intangible assets with indefinite lives are not amortized but are tested annually for impairment. Any impairment of intangible assets is recognized in the consolidated statement of comprehensive loss but increases in intangible asset values are not recognized subsequently.

Amortization expense for intangible assets is calculated on the straight-line basis over its estimated useful life. Estimated useful lives of intangible assets are the shorter of the economic life and the period the right is legally enforceable. The assets' useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The useful life of the Company's intangible assets, consisting of master lease agreements, is estimated to be 10 years.

Impairment

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that an asset's carrying amount may be less than its recoverable amount. Management uses its judgment to estimate these inputs and any changes to these inputs could have a material impact on the impairment calculation. For impairment testing, non-financial assets that do not generate independent cash flows are grouped together into CGU, which represent the levels at which largely independent cash flows are generated. An impairment loss is recognized in earnings to the extent that the carrying value of an asset, CGU or group of CGU's exceeds its estimated recoverable amount. The recoverable amount of an asset, CGU or group of CGU's is the greater of its value in use and its fair value less cost to sell. Value in use is calculated as the present value of the estimated future cash flows discounted at appropriate pre-tax discount rates. An impairment loss relating to a specific asset reduces the carrying value of the asset. An impairment loss relating to a group of CGU's is allocated on a pro-rata basis to reduce the carrying value of the assets in the units comprising the group. A previously recognized impairment loss related to non-financial assets is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss related to non-financial assets is reversed if there is a subsequent increase in the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation or amortization, if no loss had been recognized.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company applies the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

Share-based compensation

Share-based compensation to employees are 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 the 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 amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and the related amount in contributed surplus is transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

TOWER ONE WIRELESS CORP.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Financial instruments

Financial assets - Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

Financial assets - Measurement

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"), 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 their entirety when determining whether their cash flows are solely payment of principal and interest.

TOWER ONE WIRELESS CORP.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Subsequent measurement of financial assets depends on their classification.

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss 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 as finance income using the effective interest rate method.
- Fair value through OCI ("FVOCI"): A financial asset measured at FVOCI is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income remain in OCI when the financial instrument is derecognized or its fair value substantially decreases.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the period in which it arises.

The Company has classified its cash and amounts receivables as FVTPL.

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 at 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 the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company has classified its accounts payable and accrued liabilities, interest payable, convertible debentures, loans payable, loans from related parties, customer deposits, bonds payable and lease liability as amortized cost.

Convertible debentures

The component parts of compound instruments (convertible debentures) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

The conversion option classified as equity is determined by deducting the fair value of the liability component from the face value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to deficit. No gain or loss is recognized in the profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

Substantial modification of convertible debentures

Modification is deemed to be substantial if the net present value of the cash flows under the modified terms, including any fees paid or received, is a least 10 percent different from the net present value of the remaining cash flows of the liability prior to the modification, both discounted at the original effective interest rate of the liability prior to the modification. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The consideration paid, represented by the fair value of the modified convertible debentures are allocated to the liability and equity components of the original convertible debentures at the date of the extinguishment. The method used in allocating the consideration paid and transaction costs to the separate components of the original convertible debentures is consistent with that used in the original allocation to the separate components of the original convertible debentures of the proceeds received by the Company when the original convertible debentures were issued.

Once the allocation of the consideration is made, any resulting gain or loss is treated as follows:

- the amount of gain or loss relating to the original liability component is recognized in profit or loss; and
- the amount of consideration relating to the original equity component is recognized in equity in contributed surplus. The amount recognized in convertible debentures equity reserve attributable to the extinguished convertible debentures is also transferred to contributed surplus.

Joint arrangements

The Company applies IFRS 11 *Joint Arrangements* to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Company has assessed the nature of its joint arrangement and determined it to be a joint operation.

When the Company undertakes its activities under joint operations, the Company as a joint operator recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

TOWER ONE WIRELESS CORP.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option;
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early; and
- restoration costs that will incur at the end of the lease term.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in profit or loss in the period in which they are incurred.

TOWER ONE WIRELESS CORP.

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4. HYPERINFLATION

In July 2018, the Argentine three-year cumulative rate of inflation for consumer prices and wholesale prices reached a level in excess of 100%. As a result, in accordance with IAS 29, *Financial Reporting in Hyperinflationary Economies* ("IAS 29") Argentina was considered a hyperinflationary economy, effective July 1, 2018. Accordingly, the presentation of the Company's consolidated financial statements includes adjustments and reclassifications for the changes in the general purchasing power of the Argentine peso.

On the application of IAS 29, the Company used the conversion coefficient derived from the combination of the "IPC Nacional and the IPIM" (the national consumer price index and the national wholesale price index) published by the National Statistics and Census Institution in Argentina. Furthermore, a formal resolution (number 539/018) from de "FACPCE" (Federación Argentina de Consejos Profesionales de Ciencias Económicas) was issued and has been followed in the calculations.

As the consolidated financial statements of the Company have been previously presented in Canadian dollars, a stable currency, the comparative period amounts do not require restatement.

The level of the IPC at December 31, 2021 was 582.45 (2020 – 385.76), which represents an increase of 50.9% over the IPC at December 31, 2020.

Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current as at December 31, 2021. Non-monetary assets, liabilities, equity, and expenses (items that are not already expressed in terms of the monetary unit as at December 31, 2021) are restated by applying the index at the end of the reporting period. The effect of inflation on the Argentine subsidiary's net monetary position is included in the consolidated statements of loss as a gain on net monetary position.

The application of IAS 29 results in the adjustment for the loss of purchasing power of the Argentine peso recorded in the consolidated statements of comprehensive loss. In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power, which results in a loss on the net monetary position. This loss/gain is derived as the difference resulting from the restatement of non-monetary assets, liabilities and equity.

As per IAS 21, *The Effects of Changes in Foreign Exchange Rates*, all amounts (i.e. assets, liabilities, equity and expenses) are translated at the closing foreign exchange rate at the date of the most recent consolidated statement of financial position, except that comparative amounts are not adjusted for subsequent changes in the price level or subsequent changes in exchange rates. Similarly, in the period during which the functional currency of a foreign subsidiary becomes hyperinflationary and applies IAS 29 for the first time, the parent's consolidated financial statements for the comparative period are not restated for the effects of hyperinflation.

As a result of the change in the conversion coefficient during the year ended December 31, 2021, the Company recognized a net monetary loss of \$118,821 (2020 – gain \$318,659) to adjust transactions recorded during the period into a measuring unit current as of December 31, 2021.

5. TOWER CONSTRUCTION & TECHNICAL SERVICES, INC.

On October 18, 2017, the Company entered into an Escrow Agreement with the shareholders of Tower Construction & Technical Services, Inc. ("TCTS") to acquire 70% ownership interest in TCTS.

On March 1, 2019, the Company entered into an agreement to acquire the remaining 30% ownership interest of TCTS for total purchase price of \$106,121 (US\$80,000). As the Company previously controlled TCTS, the transaction resulted in a change to the Company ownership stake and was accounted for as an equity transaction. The \$106,990 difference between the acquisition of \$869 non-controlling interest and \$106,121 fair value of consideration paid was recognized directly in deficit.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

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5. TOWER CONSTRUCTION & TECHNICAL SERVICES, INC. (CONTINUED)

On August 1, 2019, the Company entered into a Joint Venture Agreement with a third party, Enervisa US LLC (“Enervisa”) and sold 50% of outstanding shares of TCTS for \$330,397 (US\$250,000) to fund the operation of TCTS. The Company determines that the sale of the 50% of TCTS shares did not constitute a loss of control. The issuance of the shares is accounted for an equity transaction and resulting a non-controlling interest of \$698,030. The non-controlling interest consists of \$519,983 of Enervisa’s share of TCTS’s net loss for the period from January 1, 2019 to August 1, 2019 which is included in net loss attributable to non-controlling interests on the consolidated statement of changes in equity (deficiency). During the years ended December 31, 2020 and 2019, the Company received \$72,396 and \$258,001, respectively, for the sale of 50% of the outstanding shares of TCTS. During the year ended December 31, 2021, there was no changes in ownership.

6. ACQUISITION OF INNERVISION TELECOM S.A.S. (“INNERVISION”)

As at December 31, 2018, the Company owned 90% of Innervision through its wholly owned subsidiary Tower Three S.A.S (“Tower Three”).

In October 2019, the Company completed the acquisition of the remaining common shares of Innervision not previously owned by Tower Three. The Company acquired the remaining 10% interest for total purchase price of \$2,685 (\$7,000,000 Colombian Peso). As the Company previously controlled Innervision, the transaction resulted in a change to the Company’s ownership stake and was accounted for as an equity transaction. The difference between the non-controlling interest and the fair value of consideration paid was recognized directly in deficit.

7. ACQUISITION OF EVOLUTION TECHNOLOGY SA

On March 30, 2017, the Company entered into a Share Purchase Offer Agreement with the shareholders of Evolution Technology SA (“Evotech”) to acquire a 65% ownership interest. Since its incorporation on March 10, 2016, Evotech has obtained various permits for constructing cellular towers and also has master lease agreements with major telecom carriers in Argentina.

To obtain the 65% ownership interest, the Company paid US\$350,000 and issued 1,500,000 common shares with a fair value of \$480,000 to the shareholders of Evotech. In addition, the Company is committed to contribute the funds necessary for Evotech to construct 50 towers, or a lower number of towers to be agreed between the parties, for up to a total maximum amount of US\$3,500,000.

The Company determined that the acquisition of Evotech constituted a business combination as Evotech has inputs, processes and outputs. As such the Company has applied the acquisition method of accounting. As part of the acquisition of Evotech, the Company acquired Evotech’s master lease agreement, which was recorded as an intangible asset.

In June 2021, the Company acquired an additional 26.25% of common shares of Evotech not previously owned by Tower One for total purchase price of \$36,243 (US\$30,000) cash and the issuance of 6,300,000 common shares with a fair value of \$569,520, increasing its ownership from 65% to 91.25%. As the Company previously controlled Evotech, the transaction resulted in a change to the Company’s ownership stake and was accounted for as an equity transaction. The carrying amount of Evotech’s non-controlling interest on the date of the acquisition was \$2,656,655 and the carrying amount of AOCI on the date of acquisition was \$192,974.

	\$
Consideration paid	605,764
Net change to non-controlling interest (26.25%/35%*\$2,656,655)	1,992,491
Net change to AOCI (26.25%/35%*\$192,974)	144,729
<u>Increase in equity attributable to the Company</u>	<u>2,742,984</u>

The increase in equity attributable to the Company of \$2,742,984 was recognized directly in deficit.

TOWER ONE WIRELESS CORP.

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8. ACQUISITION OF TOWERTHREE WIRELESS DEL ECUADOR SA

On September 20, 2021, the Company entered into a Share Transfer Agreement with the sole shareholder of Towerthree Wireless Del Ecuador SA ("T3 Ecuador") to acquire a 90% ownership interest. Since its incorporation in 2019, T3 Ecuador had minimal operations and held preliminary agreements with certain municipalities where the cities offices provided T3 Ecuador with a list of public spaces that T3 Ecuador are authorized to build towers on. In consideration for the 90% ownership interest, the Company paid \$920 (US\$720). The Company determined that T3 Ecuador did not meet the IFRS 3, *Business Combinations* ("IFRS 3"), definition of a business as the acquired set of activities and assets did not include a substantive process or any outputs.

As the transaction was determined to be outside the scope of IFRS 3, it was accounted for as an asset acquisition and the cost of the acquisition was allocated to the group of assets acquired and liabilities assumed on the basis of their relative fair values at the acquisition date. The net assets acquired in the acquisition of T3 Ecuador relating to the 90% ownership interest is summarized as follows:

Fair value of T3 Ecuador net assets acquired	\$
Cash	1,296
Taxes receivable	9,012
Property and equipment	74,067
Intangible asset	1,624
Accounts payable	(399)
Loans from related parties	(84,680)
Total fair value of T3 Ecuador net assets acquired	920

As the transaction was determined to be an asset acquisition, and the Company acquired 90% ownership interest, the Company recognized non-controlling interest equal to the 10% non-controlling proportionate share of the net assets acquired and liabilities assumed of \$78.

As at December 31, 2021, the Company completed an impairment analysis in accordance with IAS 36 *Impairment of Assets*, and determined that there is no recoverable amount relating to the intangible asset. As a result, the Company recognized impairment of \$1,624.

9. COLLABORATION AGREEMENT

On April 6, 2021, Tower 3 entered into a Collaboration Agreement with Commerk S.A.S. ("Commerk") to operate collaboratively on the development, construction and operation of telecommunication tower projects in Colombia ("Projects"). Tower 3 and Commerk each have equal voting rights and ownership to 50% of all assets, liabilities, revenues and expenses relating to Projects operated under the Collaboration Agreement. The term of the Collaboration Agreement is for seven years, with automatic successive renewal terms of additional seven-year periods, provided that neither of the parties has expressed its intention to terminate the agreement at least thirty calendar days prior to the expiration of the initial or extended term.

Pursuant to the Collaboration Agreement, Commerk will provide equity contributions towards the tower projects that will be entrusted to Tower 3. The contributions will be handed over monthly after submitting evidence of the telecommunication towers placed in service during the preceding month and the amount shall be determined based on the cash flow associated to the towers in service during the month. The equity contributions provided by Commerk accrue interest at a rate of 6.2% per annum and will accrue from the date contribution is received by Tower 3.

As at December 31, 2021, the outstanding balance of equity contributions is \$3,820,652 (COP \$12,039,984,363) (2020 - \$nil) and is included in loans payable (Note 18). During the year ended December 31, 2021, the Company accrued interest on the equity contributions of \$329,800 (COP \$1,039,294,905) (2020 - \$nil).

TOWER ONE WIRELESS CORP.

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10. NON-CONTROLLING INTEREST (NCI)

The following table presents the summarized financial information for Evotech, TCTS, Mexmaken and T3 Ecuador, the Company's subsidiaries which have NCI's. This information represents amounts before intercompany eliminations.

	December 31, 2021	December 31, 2020
	\$	\$
Current assets	1,094,709	1,145,246
Non-current assets	2,068,951	4,079,106
Current liabilities	12,291,899	14,046,168
Non-current liabilities	474,381	898,146
Revenues for the year ended	1,396,899	7,934,906
Net loss for the year ended	(1,778,017)	(1,150,056)

The net change in non-controlling interest is as follows:

	Total \$
Balance, December 31, 2019	(3,357,287)
Share of loss for the year	(1,772,196)
Currency translation adjustment	597,026
Balance, December 31, 2020	(4,532,457)
Change in ownership interest	1,992,413
Share of loss for the year	(408,808)
Currency translation adjustment	123,022
Balance, December 31, 2021	(2,825,830)

As of December 31, 2021, the Company held a 50% ownership in TCTS, 90% ownership in Mexmaken, 91.25% ownership in Evolution and 90% ownership in T3 Ecuador with \$1,754,611, \$44,462, \$1,020,454 and \$6,303 (2020 - \$953,706, \$791,573, \$2,787,178 and \$nil) NCI balance, respectively.

11. PREPAID EXPENSES AND DEPOSITS

	2021	2020
	\$	\$
Prepaid expenses	451,435	82,216
Prepaid inventory	-	5,974
Advances to suppliers	2,910,956	282,216
Other advances	814	607
Total prepaid expenses and deposits	3,363,205	371,013
Current portion	452,249	371,013
Long-term portion	2,910,956	-
	3,363,205	371,013

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12. DEFERRED COST

During the year ended December 31, 2021, the Company entered into a construction contract whereby the Company agreed to construct certain towers for a non-related party. In accordance with IFRS 15, the Company shall recognize the revenue for the construction of each tower upon completion of the tower. During the year ended December 31, 2021, the Company incurred \$1,223,395 in deferred costs relating to the construction of the towers that had not been completed.

13. INTANGIBLE ASSETS

	Master lease agreements
	\$
Cost	
Balance, December 31, 2020 and 2019	1,982,354
Impairment	(1,982,354)
Balance, December 31, 2021	–
Accumulated amortization	
Balance, December 31, 2019	379,926
Additions	245,070
Balance, December 31, 2020	624,696
Additions	302,564
Impairment	(927,260)
Balance, December 31, 2021	–
Net book value	
Balance, December 31, 2020	1,357,658
Balance, December 31, 2021	–

As at December 31, 2021, the Company had no tower structures or sites remaining under the master lease agreements as they had all been sold pursuant to the Asset Transfer Agreement (Note 15). As a result, the Company completed an impairment analysis in accordance with IAS 36 Impairment of Assets, and determined that the Company has no estimated future cash inflows derived from the continued use of the master lease agreements, and the value in use of the asset is \$nil. As a result, the Company recognized impairment of \$1,055,094 to reduce the carrying amount of the master lease agreements to \$nil based on Level 3 of the fair value hierarchy.

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14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company has a lease agreement for its land lease. The continuity of the ROU asset for the years ended December 31, 2021 and 2020 are as follows:

Right-of-use asset	\$
Balance, December 31, 2019	2,706,368
Additions	702,473
Cancellation	(1,086,971)
Depreciation	(262,540)
Impact of foreign exchange	(375,830)
Monetary adjustment for hyperinflationary economy	201,933
Balance, December 31, 2020	1,885,433
Addition	1,995,512
Cancellation	(650,407)
Depreciation	(310,493)
Impact of foreign exchange	(383,451)
Balance, December 31, 2021	2,536,594

The continuity of the lease liability for the years ended December 31, 2021 and 2020 are as follows:

Lease liability	\$
Balance, December 31, 2019	2,703,129
Additions	702,473
Cancellation	(1,199,643)
Lease payments	(553,130)
Lease interest	374,216
Impact of foreign exchange	(341,367)
Balance, December 31, 2020	1,685,678
Additions	1,995,513
Cancellation	(516,369)
Lease payments	(1,009,469)
Lease interest	530,609
Impact of foreign exchange	(353,557)
Balance, December 31, 2021	2,332,405
Current portion	193,402
Long-term portion	2,139,003
	2,332,405

15. PROPERTY AND EQUIPMENT

During the years ended December 31, 2021 and 2020, due primarily to the cancellation of tenant lease agreements, an indicator of impairment existed resulting in a test of recoverable amount of the assets and recognition of an impairment loss of \$393,478 and \$441,292, respectively. A value in use calculation is not applicable as the Company does not have any expected cash flows from using the assets. In estimating the fair value less costs of disposal, management did not have observable or unobservable inputs to estimate the recoverable amount greater than \$nil. As this valuation technique requires management's judgment and estimates of the recoverable amount, it is classified within Level 3 of the fair value hierarchy.

During the year ended December 31, 2021, the Company entered into an Asset Transfer Agreement with a non-related party whereby the Company agreed to sell certain tower structures, sites, and related contracts located in Argentina for total proceeds of \$3,870,126. On August 9, 2021, the Asset Transfer Agreement closed and all tower structures, sites and related contracts were transferred to the non-related party. Upon closing, the Company recognized the proceeds as revenue, and reclassified the carrying amount of the assets from property and equipment to cost of goods sold.

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15. PROPERTY AND EQUIPMENT (CONTINUED)

	Towers	Construction in progress	Furniture and equipment	Total
Cost	\$	\$	\$	\$
Balance, December 31, 2019	8,646,258	485,220	381,408	9,512,886
Monetary adjustment for hyperinflationary economy	701,648	644,005	(101,325)	1,244,328
Additions	–	2,502,896	35,722	2,538,618
Transfer from CIP to towers	1,574,686	(1,574,686)	–	–
Reclasification to assets held for sale	–	(30,967)	–	(30,967)
Towers sold	(3,888,708)	–	–	(3,888,708)
Impaired/cancelled towers/equipment	–	(416,588)	(24,704)	(441,292)
Foreign exchange movement	(1,518,126)	(15,623)	(79,364)	(1,613,113)
Balance, December 31, 2020	5,515,758	1,594,257	211,737	7,321,752
Monetary adjustment for hyperinflationary economy	–	–	17,918	17,918
Additions	484,087	6,919,509	36,859	7,440,455
Transfer from CIP to towers	5,024,541	(5,024,541)	–	–
Towers sold	(2,351,025)	(550,924)	(11,997)	(2,913,946)
Impaired/cancelled towers/equipment	–	(393,478)	–	(393,478)
Foreign exchange movement	(1,126,886)	(553,863)	(21,943)	(1,702,692)
Balance, December 31, 2021	7,546,475	1,990,960	232,574	9,770,009
Accumulated Amortization				
Balance, December 31, 2019	741,248	–	39,592	780,840
Monetary adjustment for hyperinflationary economy	116,704	–	6,292	122,996
Additions	708,546	–	44,283	752,829
Tower sold	(322,512)	–	(9,730)	(332,242)
Foreign exchange movement	(165,439)	–	(12,360)	(177,799)
Balance, December 31, 2020	1,078,547	–	68,077	1,146,624
Monetary adjustment for hyperinflationary economy	(48,406)	–	2,002	(46,404)
Additions	780,705	–	42,296	823,001
Towers sold	(804,215)	–	(7,729)	(811,944)
Foreign exchange movement	(221,134)	–	(5,137)	(226,271)
Balance, December 31, 2021	785,497	–	99,509	885,006
Net book value				
December 31, 2020	4,437,211	1,594,257	143,660	6,175,128
December 31, 2021	6,760,978	1,990,960	133,065	8,885,003

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16. ASSETS HELD FOR SALE

During the year ended December 31, 2020, the Company entered into an asset purchase agreement with a third party whereby the Company agreed to sell certain towers in Argentina. The sale was not completed as of December 31, 2020, and accordingly the Company has reclassified the towers from property and equipment to assets held for sale on the consolidated statement of financial position. The carrying value reported represents the lower of the net book value and fair value less costs to sell. During the year ended December 31, 2021, the Company sold the assets held for sale towers of \$30,967 for \$36,961.

During the year ended December 31, 2019, the Company entered into an asset purchase agreement with a third party whereby the Company agreed to sell certain towers in Argentina. The sale was not completed as of December 31, 2019, and accordingly the Company has reclassified the towers from property and equipment to assets held for sale on the consolidated statement of financial position. The carrying value reported represents the lower of the net book value and fair value less costs to sell. During the year ended December 31, 2020, the Company sold the assets held for sale towers of \$751,726 for proceeds of \$1,204,942.

17. CONVERTIBLE DEBENTURES

Prior to December 2019

On June 12, 2018, the Company issued secured convertible debentures to a third party for gross proceeds of \$1,000,000. The convertible debentures were due one year from the date of issuance and accrue interest at a rate of 1% per month, payable monthly. The third party had the option to convert the principal amounts into common shares of the Company at \$0.20 per common share, subject to adjustment in certain events.

In connection with the convertible debentures, the Company also issued 5,000,000 share purchase warrants to the holders exercisable at a price of \$0.25 per common share for a period of one year. The Company also incurred cash debt issuance costs of \$76,791.

On November 13, 2018, the convertible debentures were amended for a new conversion price of \$0.10 per common share. The share purchase warrants were also amended with an extended expiry date of November 13, 2019, and an updated exercise price of \$0.125 per common share. In connection with the amendments, the Company issued 5,000,000 additional share purchase warrants to the purchasers exercisable at a price of \$0.125 per common share, subject to certain adjustments in certain events with an expiry date of November 13, 2019.

On November 13, 2018, the Company issued secured convertible debentures to a third party for gross proceeds of \$500,000. The convertible debentures were due seven months from the date of issuance and accrue interest at a rate of 1% per month, payable monthly. The third party had the option to convert the principal amounts into common shares of the Company at \$0.10 per common share until June 12, 2019, subject to adjustment in certain events.

In connection with the convertible debentures, the Company also issued 5,000,000 share purchase warrants to the holders exercisable at a price of \$0.125 per common share for a period of one year until November 13, 2019. The Company also incurred cash debt issuance costs of \$46,295.

In June 2019, the Company repaid \$750,000 of the convertible debentures and extended the term with the existing lenders to November 2019. In consideration for the term extension of the convertible debentures, the Company reached an agreement with the lenders to amend existing warrants (the "Amended Warrants") that were issued to such lenders on June 12, 2018 (as amended on November 13, 2018) and November 13, 2018 in connection with the convertible debenture issuances and amendments. The Amended Warrants are exercisable at a price of \$0.09 per common share and expire on November 13, 2019.

In connection with the Amended Warrants, the Company also issued new common share purchase warrants (the "New Warrants") to each holder of the Amended Warrants, resulting in an aggregate of 15,000,000 New Warrants being issued. Each New Warrant entitled the holder thereof to acquire one common share of the Company at an exercise price of \$0.09 per common share, with each New Warrant set to expire on November 13, 2020. The Company has the right to repurchase all of the Amended Warrants and New Warrants for \$300,000 in aggregate at any time before their respective expiry dates.

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17. CONVERTIBLE DEBENTURES (CONTINUED)

In September 2019, the Company further extended the term with the existing lenders to December 2019. In consideration for the extension of financing terms with existing lenders, the Company reached an agreement with such lenders to pay a 10% penalty on the total outstanding amounts of the principal. During the year ended December 31, 2019, the Company paid the penalty of \$75,000.

In December 2019, the Company further extended the term with the existing lenders to February 2020. In consideration for the extension of financing terms with existing lenders, the Company reached an agreement with such lenders to pay a 1% penalty on the total outstanding amounts of the principal, as well as an additional 2% penalty on the total outstanding amounts of the principal to be added to the principal if the outstanding amounts are not repaid by January 14, 2020. During the year ended December 31, 2019, the Company paid the penalty of \$7,500.

Year ended December 31, 2020

In March 2020, the Company further extended the term with the existing lenders to June 2020. In consideration for the extension of financing terms with existing lenders, the Company reached an agreement with such lenders to pay a penalty to be satisfied by issuing 714,286 common shares. During the year ended December 31, 2020, the Company issued the 714,286 common shares, with a fair value of \$24,286, and recorded the penalty as interest expense in the consolidated statement of comprehensive loss.

In June 2020, the Company repaid the convertible debenture balance of \$745,000 in full. With this repayment, the Company repaid in full the convertible debenture loan balance and discharged the security interest associated with the loan.

A reconciliation of the convertible debentures is as follows:

	\$
Balance at December 31, 2019	745,000
Cash items:	
Repayment of convertible debt	(745,000)
Balance at December 31, 2020 and 2021	–

During the year ended December 31, 2021, the Company incurred interest expense of \$nil (2020 – \$19,280) on the convertible debentures.

18. LOANS PAYABLE

As at December 31, 2021 and 2020, the loans payable are summarized as follows:

	2021	2020	Currency	Terms
	\$	\$		
a	1,423,139	1,356,793	USD	Unsecured, due on demand
b	317,330	–	Colombian Pesos	Secured, repayable quarterly until Oct 2027.
c	2,538,643	–	Colombian Pesos	Secured, due on demand.
d	3,820,652	412,567	Colombian Pesos	Secured, due on completion of related projects
e	5,288,629	614,265	Colombian Pesos	Secured, due on April 2028
f	676,115	790,309	Colombian Pesos	Unsecured, due on Oct 2023
g	42,677	79,567	Colombian Pesos	Unsecured, repayable monthly until May 2023
h	93,468	150,984	Colombian Pesos	Unsecured, repayable monthly until Dec 2023
i	121,221	148,245	Mexican Pesos	Unsecured, due on demand
j	–	31,857	Argentine Pesos	Unsecured, due on demand
	14,321,874	3,584,587		
	4,208,925	3,440,732	Current portion of loans payable	
	10,112,949	143,855	Long term portion of loans payable	
	14,321,874	3,584,587		

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18. LOANS PAYABLE (CONTINUED)

- a) The Company entered into loan agreements with various shareholders whereby the Company was loaned an aggregate principal amount of USD \$1,113,663. The loans are unsecured, bear interest ranging from 0% to 18% per annum, and are due on demand. As at December 31, 2021, aggregate principal amounts of \$1,423,139 (USD \$1,113,663) (2020 - \$1,356,793 (USD \$1,061,392)) remains outstanding.
- b) On September 1, 2021, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP \$1,000,000,000. The loan is secured against a financial guarantee provided by the Fondo Nacional De Garantias S.A., bears interest at 10.11% per annum, and is repayable through quarterly installments until October 2027. As at December 31, 2021, a principal amount of \$317,330 (COP \$1,000,000,000) (2020 - \$nil) remains outstanding.
- c) On October 11, 2021, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP \$8,000,000,000 for the purpose of funding the development of certain towers. The loan is secured against the economic rights for collection of revenue relating to construction of certain towers under a separate construction contract with a party related to the loanee, bears interest at 7.02% per annum, and is due in April 2022. As at December 31, 2021, a principal amount of \$2,538,643 (COP \$8,000,000,000) (2020 - \$nil) remains outstanding.
- d) On April 2, 2021, the Company entered into a Collaboration Agreement with a Commerk (Note 9) whereby Commerk will provide equity contributions towards each individual tower projects operated under the Collaboration Agreement. The equity contributions are secured against the towers constructed and operated for each project as well as the economic rights for collection of tower rents relating to such towers, bear interest at 6.2% per annum, and are due upon completion of the related projects. Prior to the Collaboration Agreement, the Company received preliminary equity contributions totaling COP \$4,536,891,697. As at December 31, 2021, the principal amount of equity contributions of \$3,820,652 (COP \$12,039,984,363) (2020 - \$412,567 (COP \$1,112,259,832)) remains outstanding.
- e) On March 11, 2021, the Company entered into a loan agreement with a lender whereby the Company was loaned a total of COP \$31,632,000,000 for the purpose of funding the development of certain towers. The loan is secured against the towers funded by the loan proceeds as well as the economic rights for collection of tower rents relating to such towers, bears interest at 4.615% + IBR 6 months per annum, and is due in Sep 2030.

On September 14, 2021, the Company entered into a loan agreement with a lender whereby the Company was loaned a total of COP \$40,463,000,000 for the purpose of funding the development of certain towers. The loan is secured against the towers funded by the loan proceeds as well as the economic rights for collection of tower rents relating to such towers, bears interest at 4.39% + IBR 6 months per annum, and is due in May 2031.

As at December 31, 2021, a principal amount of \$5,288,629 (COP \$16,666,003,681) (2020 - \$nil (COP \$nil)) remains outstanding.

- f) On October 14, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP \$2,130,633,223. The loan is unsecured, bears interest at 12% per annum, and is due in October 2023. As at December 31, 2021, a principal amount of \$676,115 (COP \$2,130,633,223) (2020 - \$790,309 (COP \$2,130,633,223)) remains outstanding.
- g) On May 21, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP \$250,000,000. The loan is unsecured, bears interest at 10.67% per annum, and is repayable through monthly installments until May 2023. As at December 31, 2021, principal of \$42,677 (COP \$134,488,293) (2020 - \$79,567 (COP \$213,431,006)) remained outstanding.
- h) On December 21, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of COP \$405,000,000. The loan is unsecured, bears interest at 5.905% per annum, and is repayable through monthly installments until December 2023. As at December 31, 2021, a principal amount of \$93,468 (COP \$294,545,457) (2020 - \$150,984 (COP \$405,000,000)) remains outstanding.

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18. LOANS PAYABLE (CONTINUED)

- i) On November 10, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of MXN \$2,311,865. The loan is unsecured, bears interest at nil% per annum, and is due on demand. As at December 31, 2021, a principal amount of \$121,221 (MXN \$1,948,351) (2020 – MXN \$2,311,865) remains outstanding.
- j) On January 16, 2020, the Company entered into a loan agreement with a lender whereby the Company was loaned a total principal amount of ARS \$2,113,800. The loan is unsecured, bears interest at 18% per annum, and is due on demand. The loan was fully settled in August 2021.

During the year ended December 31, 2021, the interest rates on the loans payable ranged from 0% to 18% (2020 – 0% to 41%).

During the year ended December 31, 2021, the Company has incurred interest expense of \$432,576 (2020 – \$144,473) on the loans payable, of which \$307,863 (US\$240,875) (2020 – \$88,018 (US\$64,725)) remains payable and has been recorded within interest payable on the consolidated statement of financial position.

19. BONDS PAYABLE

Prior to December 31, 2019, the Company issued a total of 19,543 bonds at a price of \$100 each for gross proceeds of \$1,954,300. The bonds are secured against all present and after-acquired personal property of the Company, incur interest at a rate of 10% paid monthly, and mature September 21, 2021. During the year ended December 31, 2021, the Company repaid 1,707 (2020 – nil) bonds through cash payments totaling \$170,700 (2020 - \$nil).

On October 20, 2021, the Company issued 72 Class B Units for aggregate proceeds of \$7,200. Each Class B Unit consisted of one Class B Bond and 50 Class A Common Shares of the Company. The Class B Bonds are secured against all present and after-acquired personal property of the Company, incur interest at a rate of 10% payable monthly, and mature on September 30, 2023. The \$7,200 proceeds for the Class B Units were allocated to the 3,600 Class A Common Shares for \$696 and the 72 Class B Bonds for \$6,504. In connection with the issuance of the Units, the Company issued 4,267 Agent Warrants and paid a cash commission of \$576. The Agent Warrants are exercisable at a price of \$0.125 per share for a period of 36 months from the date of issuance. The 4,267 Agent Warrants were issued on October 19, 2021 with a fair value of \$372 as calculated using the Black-Scholes option pricing model. The total debt financing costs of \$948 were allocated to the Class B Bonds as debt issuance costs for \$856, which will be amortized over the term of the Bonds at the effective interest rate and to the issuance of 3,600 Class A Common Shares for \$92, which were recognized as share issuance costs.

On November 16, 2021, the Company issued 37 Class A Units and 437 Class B Units for aggregate proceeds of \$3,700 and \$43,700, respectively. Each Class A Unit consisted of one Class A Bond and 25 Class A Common Shares of the Company. Each Class B Unit consisted of one Class B Bond and 50 Class A Common Shares of the Company. The Class A Bonds are secured against all present and after-acquired personal property of the Company, incur interest at a rate of 10% payable monthly, and mature on September 30, 2022. The Class B Bonds are secured against all present and after-acquired personal property of the Company, incur interest at a rate of 10% payable monthly, and mature on September 30, 2023. The \$3,700 proceeds for the Class A Units were allocated to the 925 Class A Common Shares for \$174 and the 37 Class A Bonds for \$3,526. The \$43,700 proceeds for the Class B Units were allocated to the 21,850 Class A Common Shares for \$4,085 and the 437 Class B Bonds for \$39,615. In connection with the issuance of the Units, the Company issued 36,114 Agent Warrants and paid a cash commission of \$3,681. The Agent Warrants are exercisable at a price of \$0.105 per Share for a period of 36 months from the date of issuance. The 36,114 Agent Warrants were issued on November 16, 2021 with a fair value of \$2,260 as calculated using the Black-Scholes option pricing model. The total debt financing costs of \$5,941 were allocated to the Class A Bonds as debt issuance costs for \$344, which will be amortized over the term of the Bonds at the effective interest rate, to the Class B Bonds as debt issuance costs for \$5,061, which will be amortized over the term of the Bonds at the effective interest rate, and to the issuance of 22,775 Class A Common Shares for \$536, which were recognized as share issuance costs.

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19. BONDS PAYABLE (CONTINUED)

On December 14, 2021, the Company issued 167 Class A Units and 786 Class B Units for aggregate proceeds of \$16,700 and \$78,600, respectively. Each Class A Units consisted of one Class A Bond and 25 Class A Common Shares of the Company. Each Class B Units consisted of one Class B Bond and 50 Class A Common Shares of the Company. The Class A Bonds are secured against all present and after-acquired personal property of the Company, incur interest at a rate of 10% payable monthly, and mature on September 30, 2022. The Class B Bonds are secured against all present and after-acquired personal property of the Company, incur interest at a rate of 10% payable monthly, and mature on September 30, 2023. The \$16,700 proceeds for the Class A Units were allocated to the 4,175 Class A Common Shares for \$719 and the 167 Class A Bonds for \$15,981. The \$78,600 proceeds for the Class B Units were allocated to the 39,300 Class A Common Shares for \$7,086 and the 786 Class B Bonds for \$71,514. In connection with the issuance of the Units, the Company issued 80,253 Agent Warrants and paid a cash commission of \$7,123. The Agent Warrants are exercisable at a price of \$0.095 per Share for a period of 36 months from the date of issuance. The 80,252 Agent Warrants were issued on December 14, 2021 with a fair value of \$3,816 as calculated using the Black-Scholes option pricing model. The total debt financing costs of \$10,939 were allocated to the Class A Bonds as debt issuance costs for \$1,439, which will be amortized over the term of the Bonds at the effective interest rate, to the Class B Bonds as debt issuance costs for \$8,586, which will be amortized over the term of the Bonds at the effective interest rate, and to the issuance of 43,475 Class A Common Shares for \$914, which were recognized as share issuance costs.

The fair value of the share purchase warrants were calculated using the Black-Scholes model using the following weighted average assumptions:

	2021	2020
Share price at date of grant	\$0.074	–
Exercise price	\$0.099	–
Expected life	3 years	–
Expected volatility	134.05%	–
Risk free interest rate	1.05%	–
Expected dividend yield	0%	–
Expected forfeiture rate	0%	–

The fair value of the equity portion relating to the common shares, cash debt issuance costs and fair value of the share purchase warrants were applied against the carrying value of the bonds. During the year ended December 31, 2021, the Company recorded an amortization expense related to the debt issuance costs of \$72,673 (2020 – \$95,399) reducing the total discount to \$27,922 (2020 - \$71,549).

As at December 31, 2021, the carrying value of the bonds are \$1,905,577 (2020 – \$1,882,750). During the year ended December 31, 2021, the Company has incurred interest expense of \$192,188 (2020 – \$195,973) on the bonds payable, of which \$30,324 (2020 – \$nil) remains payable and has been recorded within interest payable on the consolidated statement of financial position.

20. RELATED PARTY TRANSACTIONS AND BALANCES

Loans payable to related parties include loans and advances received from related individuals and companies related to directors and officers of the Company. As at December 31, 2021 and 2020, the Company has the following loan balances with related parties:

2021	2020	Currency	Rate	Terms
\$	\$			
1,560,394	3,839,459	USD	12%-18%	Unsecured, due on demand
–	18,546	Colombian	0%	Unsecured, due on demand
–	12,743	Argentine Pesos	18%	Unsecured, due on demand
1,560,394	3,870,748			

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20. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

During the year ended December 31, 2021, the Company has incurred interest expense of \$702,495 (US\$549,717) (2020 – \$352,439 (US\$262,994)) in connection with the related party loans noted above. As at December 31, 2021, \$168,741 (2020 – \$562,260) of unpaid interest and loan penalties have been included within interest payable on the consolidated statement of financial position.

In September 2019, the Company consolidated loan balances with certain related party lenders and extended the maturity date of these amounts to March 30, 2020. In consideration for the extension of the maturity date of the loans, the Company agreed to issue 2,381,301 share purchase warrants to the holders. The share purchase warrants will be exercisable at a price of \$0.09 per common share for a period of five years. As at December 31, 2021, these warrants have not yet been issued.

Key management personnel receive compensation in the form of short-term employee benefits, share-based compensation, and post-employment benefits. Key management personnel include the Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer. The remuneration of key management is as follows (expressed in USD):

	2021	2020
	\$	\$
Consulting fees paid to the CEO	267,392	468,300
Consulting fees paid to the COO	207,165	320,300
Consulting fees paid to the CFO	17,000	336,300
	491,557	1,124,900

The remuneration of the CEO/COO/CFO are included in professional fees and consulting in the consolidated statements of comprehensive loss.

During the years ended December 31, 2021 and 2020, the Company did not grant stock options to directors or officers.

As at December 31, 2021, \$351,205 (2020 – \$692,100) of related party payables are included in accounts payable and accrued liabilities in the consolidated statement of financial position. The amounts are non-interest bearing and due on demand.

January 2019

In January 2019, the Company renegotiated the loans with three of the related party lenders to extend the maturity date of the loans.

In consideration for the extension of the maturity date of the loans, the Company agreed to incur total penalties of \$212,312 (US\$160,000) which were added to the principal balance of the loans. In addition, the Company agreed to add the interest accrued as of the date of renegotiation of \$539,236 (US\$395,259) to the principal balance of the loans. The renegotiation of the loans was deemed to be an extinguishment of the original liabilities and \$212,312 was recorded as a loss on extinguishment.

September 2019

In September 2019, the Company consolidated loan balances with certain related party lenders and extended the maturity date of these amounts to March 30, 2020.

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(Expressed in Canadian Dollars)

20. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

In consideration for the extension of the maturity date of the loans, the Company agreed to issue 2,381,301 share purchase warrants to the holders with a fair value of \$180,714. The share purchase warrants are exercisable at a price of \$0.09 per common share for a period of five years. As at December 31, 2020, these warrants have not yet been issued. The fair value of the obligation to issue the share purchase warrants was calculated using the Black-Scholes model and the following weighted average assumptions:

Share price at date of grant	\$0.08
Exercise price	\$0.09
Expected life	5 years
Expected volatility	174.99%
Risk free interest rate	1.49%
Expected dividend yield	0%
Expected forfeiture rate	0%

The consolidation of the loans and the issuance of the warrants was deemed to be an extinguishment of the original liabilities and \$180,714 was recorded as a loss on extinguishment.

21. SHARE CAPITAL

a) Authorized:	
Unlimited	Class A common shares without par value
1,500,000	Class B Series I preferred shares without par value
1,000,000	Class B Series II preferred shares without par value

As at December 31, 2021 and 2020, there were no preferred shares outstanding.

b) Issued and outstanding:

During the year ended December 31, 2021:

- On June 22, 2021, the Company issued 6,300,000 common shares with a fair value of \$569,520 as partial consideration to acquire an additional 26.25% interest in Evotech (Note 7).
- On October 20, 2021, the Company completed the initial closing of a private placement of 72 Class B Units at a price of \$100 per each Unit for aggregate proceeds of \$7,200. Each Class B Unit was comprised of (i) one subordinated, secured bond of the Company in the principal amount of \$100 bearing simple interest at a rate of 10% per annum payable monthly on the last day of each month, with a maturity date of September 30, 2023 (each, a "Class B Bond"); and (ii) 50 Class A Common Shares of the Company. The 72 Class B Units were comprised of an aggregate of 3,600 Class A Common Shares and 72 Class B Bonds (Note 19). The \$7,200 proceeds for the Class B Units were allocated to the 3,600 Class A Common Shares for \$696 and the 72 Class B Bonds for \$6,504.
- In connection with the issuance of the Units, the Company issued 4,267 Agent Warrants and paid a cash commission of \$576. The Agent Warrants are exercisable at a price of \$0.125 per Share for a period of 36 months from the date of issuance. The 4,267 Agent Warrants were issued on October 19, 2021 with a fair value of \$372 as calculated using the Black-Scholes option pricing model. The total debt financing costs of \$948 were allocated to the Class B Bonds as debt issuance costs for \$856 and to the issuance of 3,600 Class A Common Shares for \$92, which was recognized as share issuance costs.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

21. SHARE CAPITAL (CONTINUED)

b) Issued and outstanding (continued)

- On November 16, 2021, the Company completed the second closing of a private placement of 37 Class A Units and 437 Class B Units at a price of \$100 per each unit for aggregate proceeds of \$47,400, of which \$11,600 remains outstanding and recognized as share subscriptions received. Each Class A Unit was comprised of (i) one subordinated, secured bond of the Company in the principal amount of \$100 bearing simple interest at a rate of 10% per annum payable monthly on the last day of each month, with a maturity date of September 30, 2022 (each, a "Class A Bond"); and (ii) 25 Class A Common Shares of the Company. Each Class B Unit was comprised of (i) one subordinated, secured bond of the Company in the principal amount of \$100 bearing simple interest at a rate of 10% per annum payable monthly on the last day of each month, with a maturity date of September 30, 2023 (each, a "Class B Bond"); and (ii) 50 Class A Common Shares of the Company. The 37 Class A Units were comprised of an aggregate of 925 Shares and 37 Class A Bonds (Note 19). The 437 Class B Units were comprised of an aggregate of 21,850 Class A Common Shares and 437 Class B Bonds (Note 19).

In connection with the issuance of the Units, the Company issued 36,114 Agent Warrants and paid a cash commission of \$3,681. The Agent Warrants are exercisable at a price of \$0.105 per Share for a period of 36 months from the date of issuance. The 36,114 Agent Warrants were issued on November 16, 2021 with a fair value of \$2,260 as calculated using the Black-Scholes option pricing model. The total debt financing costs of \$5,941 were allocated to the Class A Bonds as debt issuance costs for \$344, to the Class B Bonds as debt issuance costs for \$5,061, and to the issuance of 22,775 Class A Common Shares for \$536, which was recognized as share issuance costs.

- On December 14, 2021, the Company completed the third closing of a private placement of 167 Class A Units and 786 Class B Units at a price of \$100 per each unit for aggregate proceeds of \$95,300. Each Class A Unit was comprised of (i) one subordinated, secured bond of the Company in the principal amount of \$100 bearing simple interest at a rate of 10% per annum payable monthly on the last day of each month, with a maturity date of September 30, 2022 (each, a "Class A Bond"); and (ii) 25 Class A Common Shares of the Company. Each Class B Unit was comprised of (i) one subordinated, secured bond of the Company in the principal amount of \$100 bearing simple interest at a rate of 10% per annum payable monthly on the last day of each month, with a maturity date of September 30, 2023 (each, a "Class B Bond"); and (ii) 50 Class A Common Shares of the Company. The 167 Class A Units were comprised of an aggregate of 4,175 Class A Common Shares and 167 Class A Bonds (Note 19). The 786 Class B Units were comprised of an aggregate of 39,300 Class A Common Shares and 786 Class B Bonds (Note 19).

In connection with the issuance of the Units, the Company issued 80,253 Agent Warrants and paid a cash commission of \$7,123. The Agent Warrants are exercisable at a price of \$0.095 per Share for a period of 36 months from the date of issuance. The 80,252 Agent Warrants were issued on December 14, 2021 with a fair value of \$3,816 as calculated using the Black-Scholes option pricing model. The total debt financing costs of \$10,939 were allocated to the Class A Bonds as debt issuance costs for \$1,439, to the Class B Bonds as debt issuance costs for \$8,586, and to the issuance of 43,475 Class A Common Shares for \$914, which was recognized as share issuance costs.

During the year ended December 31, 2020:

- On April 30, 2020, the Company issued 714,286 common shares as a penalty to the holders of the convertible debentures, with a fair value of \$24,286. The fair value of the penalty was not readily determinable, as such, the common shares were valued at the fair value of common shares on grant date.

There were no share issuances during the year ended December 31, 2019.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

21. SHARE CAPITAL (CONTINUED)

c) Warrants

A continuity of warrants for the years ended December 31, 2021 and 2020 is as follows:

	Number	Weighted average exercise price
		\$
Balance December 31, 2019	32,215,433	0.11
Expired	(31,293,653)	0.11
Balance December 31, 2020	921,780	0.09
Issued	120,634	0.10
Expired	(921,780)	0.09
Balance, December 31, 2021	120,634	0.10

During the year ended December 31, 2021, a total of 921,780 (2020 – 31,293,653) warrants expired unexercised. Upon expiry of the warrants, \$33,535 (2020 – \$597,632) was reclassified from contributed surplus to deficit.

The following table summarizes the share purchase warrants outstanding and exercisable as at December 31, 2021:

Number of warrants outstanding	Exercise price	Expiry date
	\$	
4,267	0.125	October 19, 2024
36,114	0.105	November 16, 2024
80,253	0.095	December 14, 2024
120,634		

As at December 31, 2021, the warrants outstanding have a weighted average life remaining of 2.93 years (2020 – 0.75 years).

d) Stock options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the Discounted Market Price policies of the Canadian Stock Exchange. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the Company.

There were no stock options granted during the years ended December 31, 2021 and 2020.

A continuity of stock options for the years ended December 31, 2021 and 2020 is as follows:

	Number	Weighted average exercise price
		\$
Balance, December 31, 2021 and 2020	1,275,000	0.30

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

21. SHARE CAPITAL (CONTINUED)

d) Stock options (continued)

As at December 31, 2021, the following stock options were outstanding and exercisable:

Options outstanding	Options exercisable	Exercise price	Remaining life (years)	Expiry Date
		\$		
325,000	325,000	0.45	0.21	March 17, 2022
950,000	950,000	0.25	1.13	February 17, 2023
1,275,000	1,275,000	0.30	0.90	

e) Performance share units

On September 8, 2021, the Company approved an Omnibus Equity Incentive Plan, which is designed to provide certain consultants of the Company with the opportunity to acquire Performance Share Units ("PSU's") of the Company as an award for achieving certain performance criteria. Each PSU represents the right to receive one common share of the Company and will become vested if the participant achieves the performance criteria within the performance cycle set forth in the grant notice.

On September 8, 2021, the Company granted an aggregate of 2,000,000 PSU's to certain consultants. During the year ended December 31, 2021, the performance criteria was met and the 2,000,000 PSU's vested. Subsequent to the year ended December 31, 2021, the Company issued 2,000,000 common shares (Note 29).

As at December 31, 2021, the Company recognized share-based compensation and shares issuable of \$130,000 related to vested PSU's.

22. CAPITAL DISCLOSURES

The Company manages its shareholders' deficiency, loans and convertible debts as capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its assets and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. The Company manages the capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt or acquire or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. As at December 31, 2021, the shareholders' deficiency was \$14,798,215 (2020 – \$11,443,589). The Company is not subject to any externally imposed capital requirements. The Company did not change its approach to capital management during the year ended December 31, 2021.

23. FINANCIAL INSTRUMENTS AND RISK

As at December 31, 2021, the Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, customer deposits, interest payable, convertible debentures, loans payable, loans from related parties, bonds payable and lease liabilities.

The Company provides information about financial instruments that are measured at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

23. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

Cash is measured using level 1 fair value inputs. The carrying values of the amounts receivable, accounts payable and accrued liabilities, customer deposits, interest payable, convertible debentures and loans from related parties approximate their fair values because of the short-term nature of these instruments. The bond payable, loan payable and lease liabilities are classified as level 3.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. 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 a high credit quality financial institution.

With respect to its accounts receivable, the Company assesses the credit rating of all customers and maintains provisions for potential credit losses, and any such losses to date have been within management's expectations. The Company's credit risk with respect to accounts receivable and maximum exposure thereto is \$4,819,388 (2020 – \$1,166,502). Accounts receivable are shown net of provision of credit losses of \$7,617 (2020 – \$36,381). The following table summarizes the amounts that make up accounts receivable:

	2021	2020
	\$	\$
Accounts receivable	2,996,655	198,801
Accruals	900,675	400,020
Taxes receivable	862,528	491,658
Other receivables	59,530	76,023
Total accounts receivable	4,819,388	1,166,502

The following table summarizes the aging of accounts receivable as at December 31, 2021:

	Carrying amount	Current	0 – 30 Days	31 – 60 Days	61 – 90 Days	> 90 Days
	\$	\$	\$	\$	\$	\$
Accounts receivable	2,996,655	2,717,464	151,481	29,711	3,621	94,378

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company's ability to collect its revenue in a timely manner, continuous support from shareholders and investors and maintain sufficient cash on hand. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through issuances of equity and debt or partnering transactions.

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

23. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The following table summarizes the maturities of the Company's financial liabilities as at December 31, 2021 based on the undiscounted contractual cash flows:

	Carrying amount	Contractual cash flows	Less than 1 year	1 – 3 years	4 – 5 Years	After 5 years
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	10,039,853	10,039,853	10,039,853	–	–	–
Interest payable	668,805	668,805	294,826	–	–	373,979
Loans payable	14,321,874	14,321,874	4,208,925	232,288	95,266	9,785,395
Loans from related parties	1,560,394	1,560,394	1,560,394	–	–	–
Bonds payable	1,905,577	1,905,577	–	1,905,577	–	–
Lease liability	2,332,405	8,871,097	790,036	2,370,107	1,397,191	4,389,367
Total	30,828,908	37,367,600	16,894,034	4,507,973	1,492,456	14,548,741

The Company has a working capital deficiency as of December 31, 2021 of \$16,749,316. Customer deposits consist of funds received from customers in advance of towers sold. As of December 31, 2021, the Company received \$5,301,501 (2020 – \$5,621,307) in customer deposits.

Currency Risk

The Company generates revenues and incurs expenses and capital expenditures primarily in Canada, Colombia, Argentina, USA and Mexico and is exposed to the resulting risk from changes in foreign currency exchange rates. Some administrative and head office related expenses are incurred in Canada. In addition, the Company holds financial assets and liabilities in foreign currencies that expose the Company to foreign exchange risks. Assuming all other variables remain constant, a 7% (2020 – 17%) weakening or strengthening of the Colombia Peso, Argentine Peso, US dollar and Mexican Peso against the Canadian dollar would result in approximately \$1,639,528 (2020 – \$470,007) foreign exchange loss or gain in the consolidated statement of comprehensive loss. The Company has not hedged its exposure to currency fluctuations.

At December 31, 2021, the Company had the following financial instruments denominated in foreign currencies:

	Argentine Pesos	Colombian Pesos	Mexican Pesos	United States Dollars	Total
	\$	\$	\$	\$	\$
Cash	95,002	750,276	8,891	130,955	985,125
Amounts receivable	433,233	6,608,587	419,240	692	7,461,725
Accounts payable and accrued liabilities	(159,733)	(7,145,543)	(584,213)	(480,830)	(8,370,319)
Customer deposits	–	(4,382,299)	(917,284)	(1,917)	(5,301,501)
Interest payable	–	(465,313)	–	–	(465,313)
Lease liability	–	(2,244,504)	(87,901)	–	(2,332,405)
Loans payable	–	(12,777,514)	(121,221)	–	(12,898,735)
Net	368,502	(19,656,310)	(1,282,488)	(351,100)	(20,921,396)

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

23. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. Loans payable have a fixed interest rate between 12% and 18%, and cash earns interest at a nominal rate. The Company is not exposed to significant interest rate risk.

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

24. ECONOMIC DEPENDENCE

For the year ended December 31, 2021, 82% of total revenues were generated with three major customers (2020 – 75% with two major customers). The loss of one or more of these customers could have a material adverse effect on the Company's financial position and results of operations.

The following table represents sales to individual customers exceeding 10% of the Company's annual revenues for the years ended December 31, 2021 and 2020:

	2021	2020
	\$	\$
Customer A	4,345,189	5,134,327
Customer B	2,997,731	1,871,092
Customer C	1,429,481	N/A

25. SUPPLEMENTAL CASH FLOW INFORMATION

	2021	2020	2019
	\$	\$	\$
Changes in non-cash working capital items:			
Amounts receivable	(3,892,623)	542,054	(1,341,845)
Prepaid expenses and deposits	(3,200,676)	(131,697)	83,535
Deferred Cost	(1,223,395)	–	–
Unbilled revenues	–	111,845	(107,099)
Other receivable	–	–	67,143
Bank indebtedness	–	–	(39,464)
Accounts payable and accrued liabilities	4,581,698	612,050	(725,292)
Interest payable	18,527	292,365	488,997
Deferred revenue	(278,443)	(167,096)	259,182
Customer deposits	431,106	1,184,170	8,470,889
Income tax payable	(2,363)	247,500	373,196
	(3,566,169)	2,691,191	7,529,242

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

26. SEGMENTED INFORMATION

The Company has three operating segments, which are the locations in which the Company operates. The reportable segments are the Company's Argentinian, Colombian, American and Mexican operations. A breakdown of revenues, short-term assets, long-term assets and net income for each reportable segment as at and for the years ended December 31, 2021 and 2020 is reported below.

	Argentina	Colombia	Mexico	United States of America	Other	Total
	\$	\$	\$	\$	\$	\$
December 31, 2021:						
Current assets	534,112	6,043,886	428,915	128,887	418,618	7,554,418
Property and equipment	18,445	10,668,693	1,767,875	38,753	(697,807)	11,793,959
Other non-current assets	–	2,375,403	161,191	–	–	2,536,594
Total assets	552,557	19,087,982	2,357,981	167,640	(279,189)	21,886,971
Revenues:						
Tower rental revenue	678,002	2,014,364	147,902	–	–	2,840,268
Service revenue	–	3,416,385	–	–	2,182,516	5,598,901
Sales of towers	2,238,087	–	10,370	–	–	2,248,457
Total revenues	2,916,089	5,430,749	158,272	–	2,182,516	10,687,626
Net income (loss)	(1,287,808)	1,083,294	(611,696)	14,443	(3,792,521)	(4,594,288)
	Argentina	Colombia	Mexico	United States of America	Other	Total
	\$	\$	\$	\$	\$	\$
December 31, 2020:						
Current assets	679,144	448,193	465,316	1,938	96,650	1,691,241
Property and equipment	2,680,675	2,989,580	437,596	51,278	15,999	6,175,128
Other non-current assets	773,279	976,278	135,876	–	1,357,658	3,243,091
Total assets	4,133,098	4,414,051	1,038,788	53,216	1,470,307	11,109,460
Revenues:						
Tower rental revenue	945,647	550,418	278,281	–	–	1,774,346
Service revenue	–	–	–	346,317	626,319	972,636
Sales revenue	1,244,773	14,439	5,119,888	–	–	6,379,100
Total revenues	2,190,420	564,857	5,398,169	346,317	626,319	9,126,082
Net income (loss)	(2,388,551)	328,258	1,078,190	1,261,084	(3,953,285)	(3,674,304)

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

27. LEGAL DISCLOSURE

- a) The cities of Quilmes, Bolivar and San Rafael filed claims against Evolution for dismantling towers in the respective cities. Quilmes is claiming a fine of \$18,536 (1,489,005 Argentine Pesos). The fines have been accrued by the Company. The outcome of these legal proceedings cannot be determined at December 31, 2021 and no additional amounts have been accrued.
- b) On June 3, 2021, the Company entered into an Asset Transfer Agreement whereby the Company agreed to sell certain towers. Pursuant to the Asset Transfer Agreement, the Company is liable for any claims made relating to the agreement up to a maximum liability amount of \$300,000. The Company estimates that the likelihood of a claim being made is remote and no amounts have been accrued as at December 31, 2021.

28. INCOME TAXES

The tax effect (computed by applying the federal and provincial/state statutory rates in the jurisdictions the Company and its subsidiary operate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2021	2020
	\$	\$
Net loss before income taxes	(4,594,288)	(3,674,304)
Statutory income tax rate	27%	27%
Income tax recovery	(1,240,458)	(992,062)
Differences between Canadian and foreign tax rates	(83,782)	(95,362)
Permanent differences and others	(249,362)	(76,522)
Impact of foreign exchange	(125,223)	142,767
Under provided in prior years	96,482	363,357
Effect of change in income tax rates	4,187	164,204
Temporary differences	1,657,957	316,758
Change in unrecognized losses	25,468	363,420
	286,951	186,560
Current income tax expense	85,269	186,560
Deferred income tax recovery	-	-
	-	-

TOWER ONE WIRELESS CORP.

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021, 2020 and 2019

(Expressed in Canadian Dollars)

26. INCOME TAXES (CONTINUED)

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities at December 31, 2021 and 2020 are as follows:

	2021	2020
	\$	\$
Deferred income tax assets:		
Non-capital loss carry-forwards	88,066	487,721
Property and equipment	23,524	–
Lease liabilities	722,166	501,470
Deferred income tax assets	833,756	989,191
Deferred income tax liabilities:		
Excess of carrying value over tax value of right-of-use assets	(784,732)	(561,508)
Excess of carrying value over tax value of intangible assets	(10,084)	(389,728)
Excess of carrying value over tax value of bonds payable	(38,940)	(19,317)
Excess of carrying value over property and equipment	–	(18,638)
Unrecognized deductible temporary differences	(833,756)	(989,191)
Unrecognized deductible temporary differences	–	–

Significant unrecognized tax benefits and unused taxes for which no deferred tax assets are recognized as of December 31, 2021 and 2020 are as follows:

	2021	2020
	\$	\$
Non-capital losses carried forward	25,418,239	24,441,678
Property and equipment	3,426	7,337
Share issuance costs	333	17,556
Capital losses carried forward	3,294,836	3,294,836
Lease liabilities	36,157	36,157
Unrecognized deductible temporary differences	28,752,991	27,797,564

As at December 31, 2021, the Company has non-capital losses carried forward of approximately \$25,666,000 (2020 – \$26,814,000) including \$19,967,000 (2020 - \$19,956,000) in Canada, \$5,233,000 (2020 - \$4,012,000) in Argentina, \$nil (2020 - \$ nil) in Mexico and \$466,000 (2020 - \$2,846,000) in the United States of America. These losses begin expiring in 2022.

29. SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2021:

On January 10, 2022, the Company issued 2,000,000 common shares in relation to PSUs that vested during the year ended December 31, 2021 (Note 21 (e)).

On January 18, 2022, the Company settled a debt in the amount of \$1,039,751 owed by the Company to a certain creditor in exchange for 16,273,267 common shares at a deemed price of \$0.064

On March 17, 2022, 325,000 stock options expired (Note 21).

The Company repaid a total of \$146,000 of bonds payable, in which a total of \$207,700 was subject to repayment as at December 31, 2021.

Item 19. Exhibits

Exhibit Number	Description of Exhibit
1.1	Articles of the Company.*
1.2	Certified Copy of Notice of Articles dated October 7, 2020.*
1.3	Certificate of Change of Name dated December 28, 2016.*
4.1	Omnibus Equity Incentive Plan.**
4.2	Summary of Loan Agreement with Itau Corpbanca Colobia SA dated March 11, 2021**
4.3	Summary of Collaboration Agreement with Commerk S.A.S. dated April 2, 2021.**
4.4	Summary of Loan Agreement with Itau Corpbanca Colobia SA dated September 14, 2021.**
8.1	List of significant subsidiaries of the Company.*
11.1	Code of Business Conduct and Ethics.*
12.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.**
12.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.**
13.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
13.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
15.2	Audit Committee Charter*
99.1**	Audited Consolidated Financial Statements for the years ended December 31, 2021, 2020 and 2019
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase

* Filed with previous Form 20-Fs

**Filed herewith.

SIGNATURE

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this registration statement on its behalf.

TOWER ONE WIRELESS CORP.

Date: May 17, 2022

By: /s/ Alejandro Ochoa

Name: Alejandro Ochoa

Title: Chief Executive Officer and Interim Chief
Financial Officer