SUBSCRIBE TECHNOLOLGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

JUNE 30, 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Subscribe Technologies Inc.

Opinion

We have audited the accompanying consolidated financial statements of Subscribe Technologies Inc. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has incurred losses since inception and, as of that date, the Company's current liabilities exceeded its total assets by $153,072. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

October 31, 2019

SUBSCRIBE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30
(Expressed in Canadian Dollars)

	2019	2018
ASSETS		
Current		
Cash	$ 1,531	$ 668,368
Receivables	41,688	19,222
Prepaid expenses	-	151,458
	43,219	839,048
Investment in intellectual assets (Note 4)	99,811	97,541
	$ 143,030	$ 936,589
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities (Note 5,11)	$ 196,291	$ 69,592
Shareholders' equity (deficiency)		
Share capital (Note 6)	2,186,596	2,134,736
Subscription received (Note 6,14)	6,000	-
Reserves (Note 7,8)	497,581	510,441
Deficit	(2,743,438)	(1,778,180)
	(53,261)	866,997
	$ 143,030	$ 936,589

Nature and continuance of operations (Note 1)
Subsequent event (Note 14)

On behalf of the Board:

"Paul Dickson" Director *"Harvey Dick"* Director

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

SUBSCRIBE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	2019	2018
REVENUE	$ 11,440	$ -
EXPENSES		
Advertising and promotion	341,800	210,250
Business development	32,968	11,924
Consulting fees (Note 11)	344,258	127,835
Depreciation (Note 4)	43,892	12,291
General and administrative (Note 11)	125,837	87,924
Product development	26,028	35,247
Professional fees	42,063	36,290
Stock-based compensation (Note 7)	-	233,243
	(956,846)	(755,004)
Operating loss	(945,406)	(755,004)
Write-off of Mobilman	-	(3,636)
Write-off of intellectual assets (Note 4)	(19,852)	-
	(19,852)	(3,636)
Loss and comprehensive loss for the year	$ (965,258)	$ (758,640)
Basic and diluted loss per common share	$ (0.02)	$ (0.02)
Weighted average number of common shares outstanding	47,158,172	33,015,820

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

SUBSCRIBE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian Dollars)

	Share capital					Total
	Common Shares	**Amount**	**Reserves**	**Subscription Received**	**Deficit**	**Shareholders' Equity**
Balance at June 30, 2017	27,877,670	$ 1,012,351	$ 172,222	$ -	$ (1,019,540)	$ 165,033
Loss for the year	-	-	-	-	(758,640)	(758,640)
Share issued for cash	18,910,610	1,280,561	-	-		1,280,561
Share issue costs- cash	-	(60,200)	-	-		(60,200)
Share issue costs- warrants	-	(99,266)	99,266	-		-
Shares issued for intellectual assets	50,000	7,000	-	-		7,000
Fair value of exercised stock options	-	19,290	(19,290)	-		-
Residual value of warrants	-	(25,000)	25,000	-		-
Share-based payments	-	-	233,243	-		233,243
Balance at June 30, 2018	46,838,280	$ 2,134,736	$ 510,441	$ -	$ (1,778,180)	$ 866,977
Loss for the year	-	-	-	-	(965,258)	(965,258)
Subscription received in advance	-	-	-	6,000	-	6,000
Shares issued for acquisition	260,000	26,000	-	-	-	26,000
Exercise of stock options	200,000	25,860	(12,860)	-	-	13,000
Balance at June 30, 2019	47,298,280	$ 2,186,596	$ 497,581	$ 6,000	$ (2,743,438)	$ (53,261)

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

SUBSCRIBE TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30
(Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the year	$ (965,258)	$ (758,640)
Items not affecting cash:		
Depreciation	43,892	12,291
Stock-based compensation	-	233,243
Write-off assets of Mobilman	-	3,636
Write-off intangible assets	19,852	-
Changes in non-cash working capital items:		
Receivables	(22,466)	(12,721)
Prepaid expenses	151,458	144,954
Accounts payable and accrued liabilities	126,699	22,633
Net cash used in operating activities	(645,823)	(644,512)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investment in intellectual asset	(40,014)	(41,832)
Net cash used in investing activities	(40,014)	(41,832)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issuance of share capital	-	1,280,561
Subscription received	6,000	-
Share options exercised	13,000	-
Share issue costs	-	(60,200)
Net cash provided by financing activities	19,000	1,220,301
Change in cash during the year	(666,837)	534,017
Cash, beginning of year	668,368	134,351
Cash, end of year	$ 1,531	$ 668,368

Supplemental disclosure with respect to cash flows:

The Company did not incur any interest or tax expenditures for fiscal 2018 and 2019.

During fiscal 2019, the Company:
i) issued 260,000 common shares at a value of $26,000 for investment in intellectual assets
ii) transfer from reserves to share capital on exercise of options valued at $12,860

During fiscal 2018, the Company:
i) Granted 624,000 broker warrants as finders' fees valued at $99,266
ii) Issued 50,000 common shares valued at $7,000 on intellectual asset
iii) Transfer from reserves to share capital on exercise of options valued at $19,290
iv) Residual value of warrants issued as part of private placement valued at $25,000.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Description of the Business

Subscribe Technologies Inc. (the "**Corporation**") was incorporated under the Business Corporations Act (*Ontario*) on September 13, 2010. The Corporation is in the technology business and has one wholly owned subsidiary, Mobilman Management Inc ("**MM**") whose operations and assets are in Quebec. The Corporation's principal offices are located at 700 West Pender Street, Suite 604, Vancouver, BC, V6C 1G8.

Basis of Operations and Going Concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applied on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Corporation will require additional funding which, if not raised, would result in the curtailment of activities and delays in its ability in becoming self-sufficient. The Corporation had working capital deficiency of $153,072 as at June 30, 2019, and has incurred losses since inception, resulting in an accumulated deficit of $2,743,438 as of that date. These material uncertainties may cast significant doubt as to the ability of the Company to continue as a going concern. These financial statements do not reflect adjustments that should be necessary if the "going concern" assumption were not appropriate. If the "going concern" were not appropriate for these financial statements, then adjustments to the carrying value of the assets and liabilities and expenses and the balance sheet classifications which could be material, would be necessary.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted.

Approval of the financial statements

The consolidated financial statements of the Company for the year ended June 30, 2019 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on October 31, 2019.

2. BASIS OF PRESENTATION (continued)

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary MM. Control exists when the Company possesses power over an investee, has exposures to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All intercompany balances and transactions have been eliminated.

New Accounting Standards

The following new standards and amendments to existing standards were not yet effective for the year ended June 30, 2019, and have not been applied in preparing these consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2019

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The Company estimates the impact of this standard on its financial statements to be minimal.

2. BASIS OF PRESENTATION (continued)

Critical Accounting Estimates and Judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The application of the Company's accounting policy for intangible assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. At least annually or whenever there is an indicator for impairment management evaluates the recoverable amount. The determination of the recoverable amount requires the use of management's best assessment of the related inputs into the valuation models, such as future cash flows and discount rates. The amortization expense related to intangible assets is determined using estimates of the useful life of the intangible asset.

ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

iii) Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's and MM's functional currency.

Intellectual Assets

The Corporation capitalizes development costs of internally generated assets that meet the criteria for capitalization.

Intangibles are stated at cost, net of accumulated amortization and/or accumulated impairment losses, if any. Amortization on an asset does not begin until the asset is available for usage. Amortization is provided using methods outlined below at rates intended to amortize the cost of intangibles less, their estimated residual values, over their estimated useful lives.

Intangibles	Depreciation method and Rate
Core Software	3 years straight line
Computer software	3 years straight line

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangibles acquired separately

Intangibles with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization rate are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangibles with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangibles

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Internally-generated intangible assets arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangibles is the sum of the expenditure incurred from the date when the intangibles first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangibles are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangibles that are acquired separately.

Derecognition of intangibles

An intangible is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible, measured as the difference between the net disposal proceeds and the carrying amount of the intangible, is recognized in profit or loss when the asset is derecognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, management reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, management estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangibles with indefinite useful lives and intangibles not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Impairment of non-financial assets

The Corporation's assets are reviewed for indications of impairment at each financial reporting date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the profit or loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current Income Tax

Current tax is based on the results for the period and adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax liabilities:
- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets:
- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

Earnings (Loss) Per Share

Earnings (loss) per share is calculated by dividing the loss applicable to common shares by the weighted average number of shares outstanding during the year. Diluted earnings (loss) per share is computed by dividing the loss applicable to common shares by the diluted weighted average number of shares which assumes that all outstanding stock options granted with an exercise price below the average market value are exercised during the period. The difference between the number of shares assumed and the number of shares assumed purchased is then included in the denominator of the diluted earnings per share computation. Any warrants or options considered anti-dilutive are not added to the number of shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments

New accounting policies

The Company classifies its' financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at FVTPL

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

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit or loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company completed an assessment of its financial instruments as at July 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9.

	Original classification under IAS 39	New classification under IFRS 9
Cash	FVTPL	FVTPL
Receivables	Loans and receivables amortized costs	Amortized costs
Accounts payable and accrued liabilities	Other financial liabilities amortized costs	Amortized costs

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Hierarchy

The Corporation classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

For the years presented, cash is measured at fair value and classified within Level 1 of the fair value hierarchy.

Share-based Payments

Stock options issued by the Corporation are accounted for in accordance with the fair value based method. The fair value of options issued to directors, officers, employees of and consultants to the Corporation is charged to profit or loss over the vesting period of each tranche (graded vesting) with the offsetting amount recorded to reserves. The historical forfeiture rate is also factored in to the calculations. When options are exercised, the amount received together with the amount previously recorded in reserves, are added to share capital. The fair value of warrants issued to agents in conjunction with a public offering is charged to share issue costs with an offsetting amount recorded to reserves. Fair value is measured using the Black-Scholes option-pricing model.

Revenue

Revenue Revenue is recognized at the fair value of consideration received or receivable. Revenue from the sale of goods is recognized in accordance with IFRS 15 Revenue from Contracts with Customers which specifies how and when to recognize revenue and is based on a five-step model as follows:

- Identify the contract(s) with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when or as the Company satisfies performance obligations.

Amounts disclosed as revenue are net of allowances, discounts and rebates.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Warrants

The Corporation measures the fair value of compensatory warrants issued using the Black-Scholes option pricing model. The fair value of each warrant is estimated based on their respective issuance dates taking into account volatility, expected life, the dividend rate, and the risk-free interest rate. The fair value of compensatory warrants issued in conjunction with an offering is charged to share issue costs with an offsetting amount recorded to reserves. The fair value of warrants exercised is recorded as share capital. The value of warrants issued in a unit offering is based on the residual value method.

4. INVESTMENT IN INTELLECTUAL ASSETS

The Mobilman application is a Software-as-Service cloud-based solution accessible via secured web portals and mobile devices to help manage an organization's mobile workforce and resources.

Balance as of June 30, 2017	$	61,000
Additions		48,832
Depreciation		(12,291)
Balance June 30, 2018		97,541
Additions		66,014
Depreciation		(43,892)
Write-off		(19,852)
Balance June 30, 2019	$	99,811

During the year ended June 30, 2017, the Company acquired a suite of customer relationship management software. To acquire the software, the Company issued 2,000,000 common shares, valued at $60,000. The software was acquired from a director of the Company (Note 11).

During the year ended June 30, 2018, the Company acquired a tokenized freelancer platform. To acquire the platform, the Company issued 50,000 common shares, valued at $7,000 and made a payment of $12,858 (US$10,000). In addition, during the year ended June 30, 2018, the Company acquired a domain name for $28,980 (US$21,500).

During the year ended June 30, 2019, the Company acquired a proprietary platform for creating professional live and automated webinar funnels. To acquire the platform, the Company issued 260,000 common shares, valued at $26,000 and made a payment of $40,014 (US$30,000).

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2019		June 30, 2018
Accounts payables and accrued liabilities	$	58,478	$	56,467
Due to related parties (Note 11)		137,813		13,125
	$	196,291	$	69,592

6. SHARE CAPITAL

Authorized: Unlimited common shares without par value

Fiscal 2018 Transactions

In January 2018, the Company completed a non-brokered private placement of 10,000,000 units for gross proceeds of $500,000. Each unit consisted of one common share and one share purchase warrant. Each warrant can be converted into a common share at a price of $0.10 until July 9, 2019. The Company paid cash finder's fees of $31,200 and issued 624,000 finder's warrants with the same terms in connection with the private placement. The Company has estimated the fair value of the finder's warrants to be $99,266 based on the Black-Scholes option pricing model. The assumptions used for the Black-Scholes valuation of the finder's warrants were as follows: a risk-free interest rate of 1.73%, an expected life of 1.5 years, a dividend rate of 0%, forfeiture rate of 0%, and an annualized volatility of 196%.

In April 2018, the Company completed a non-brokered private placement of 1,000,000 units for gross proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant. Each warrant can be converted into a common share at a price of $0.25 for two years after the closing. The residual value of warrants associated with the unit offering was $25,000 or $0.025 per warrant.

In April 2018, the Company issued 50,000 common shares valued at $7,000 for an intellectual asset (note 4).

In June 2018, the Company completed a non-brokered private placement of 7,500,000 units for gross proceeds of $600,000. Each unit consisted of one common share and one share purchase warrant. Each warrant can be converted into a common share at a price of $0.14 for three years period after the closing. The Company paid cash finder's fees of $4,400.

During the year ended June 30, 2018, the Company issued 410,610 common shares on the exercise of stock options for gross proceeds of $30,561.

Fiscal 2019 Transactions

In November 2018, the Company issued 260,000 common shares valued at $26,000 for an intellectual asset (note 4).

During the year ended June 30, 2019, the Company issued 200,000 common shares on the exercise of stock options for proceeds of $13,000 and cancelled 260,000 stock options.

As at June 30, 2019, the Company has received $6,000 towards a private placement that closed subsequent to June 30, 2019. (Note 14)

Escrow Shares

Upon the acquisition of MM by the Corporation on June 30, 2015, all of the securities issued to insiders of the Corporation which were issued for either cash, being 433,350 common shares, or for the acquisition of MM, being 18,151,126 Common Shares, were placed in escrow, in accordance with the policies of the Canadian Securities Exchange "**Exchange**"). In addition, of the 18,151,126 common shares issued in the transaction to acquire MM, 15 million was issued for the acquisition of MM itself of which an additional 2,757,252 common shares were also placed in escrow under the regular Exchange requirements to be released in accordance with the Exchange policies.

During fiscal 2018, 827,175 shares were released from escrow. During fiscal 2019 and at June 30, 2019 no shares remained in escrow.

7. STOCK OPTIONS

The Company has a rolling stock option plan (the "plan") that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company's shares at the date of grant, subject to a minimum exercise price of $0.10 per share. Options granted under the Plan will have a term not to exceed ten years and be subject to vesting provisions as determined by the board of directors of the Company.

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Outstanding, June 30, 2017	2,363,578	$	0.07
Granted	1,375,000		0.18
Exercised	(410,610)		0.07
Outstanding and exercisable, June 30, 2018	3,327,968		0.11
Exercised	(200,000)		0.065
Cancelled/Expired	(260,000)		0.11
Outstanding and exercisable, June 30, 2019	2,867,968	$	0.12

The weighted average remaining contractual life of options at year end is 2.16 years (June 30, 2018 – 3.06 years).

During the year ended June 30, 2019, the Company granted Nil (2018 – 1,375,000) stock options to directors, officers and consultants of the Company. The fair value of the options granted during fiscal 2019 is $Nil (2018 - $233,243), based on the Black-Scholes option pricing model. The weighted average of the fair value per option was $Nil (2018 - $0.18)

The following weighted average assumptions were used for the Black-Scholes option pricing model:

	2018
Risk-free interest rate	1.94%
Expected life of options	3.0 years
Annualized volatility	196.28%
Dividend rate	0.00%
Forfeiture rate	0.00%

7. STOCK OPTIONS (continued)

As at June 30, 2019, the following options were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Options
January 27, 2021	$ 0.10	42,968
January 10, 2022	0.065	1,450,000
June 23, 2023	0.10	100,000
January 29, 2021	0.18	900,000
March 1, 2021	0.18	375,000
		2,867,968

8. WARRANTS

The following table summarizes the Company's warrant activities:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, June 30, 2017	200,000	$ 0.00
Issued	19,124,000	0.12
Outstanding, June 30, 2018	19,324,000	0.12
Issued	-	0.12
Outstanding and exercisable, June 30, 2019	19,324,000	$ 0.12

As at June 30, 2019, the following warrants were outstanding and exercisable:

Expiry Date	Exercise Price	Number of Warrants
December 29, 2021	$ 0.10	200,000
July 9, 2019*	0.10	10,000,000
July 9, 2019*	0.10	624,000
April 6, 2020	0.25	1,000,000
June 28, 2021	0.14	7,500,000
		19,324,000

* expired subsequent to June 30, 2019

9. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 27% (2018 - 27%) to income before income taxes. The reasons for the differences are as follows:

		2019		2018
Loss before income taxes	$	(965,258)	$	(758,640)
Statutory income tax rate		27%		27%
Expected income tax recovery	$	(261,000)	$	(205,000)
Changes in statutory rates and other		7,000		(9,000)
Share issue cost		-		(16,000)
Permanent difference		-		63,000
Unrecognized benefit of deferred tax assets		254,000		167,000
Total income tax expense	$	-	$	-

		2019		**2018**
Intangible asset	$	114,000	$	102,000
Share issuance costs		10,000		14,000
Non-capital losses carried forward		630,000		384,000
Unrecognized deductible temporary differences	$	754,000	$	500,000

The Company has non-capital losses of approximately $2,335,000 that may be carried forward and applied against taxable income in future years. These losses, if not utilized, will expire through 2039.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize these benefits.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Transactional Risk

The Corporation does not use hedging transactions to manage risk. As a part of the overall operation of the Corporation, management takes steps to avoid undue concentrations of risk. The Corporation manages risk as follows:

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The ability to do this relies on the Corporation raising capital through equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at June 30, 2019, the Corporation had $1,531 in cash to settle $196,291 current liabilities. While the Corporation did complete a private placement subsequent to June 30, 2019 (Note 14), the Corporation is exposed to liquidity risk.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Corporation does not trade in financial instruments and is not exposed to significant interest rate risk for the years presented.

Market Risk

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: credit risk, currency risk and other price risk.

Credit Risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. Balances of cash in financial institutions may at times exceed the government-insured limits.

As of the date of these financial statements the Corporation's only debtor is the government of Canada for Goods and Sales Tax and Government of Quebec for the Quebec Sales Tax receivable and therefore the Corporation does not believe it is currently exposed to any significant credit risk.

Currency Risk

Currency risk is the risk that changes in exchange rates may have an effect on future cash flows associated with financial instruments. The Corporation does not have any material transactions denominated in foreign currency and is not exposed to material foreign currency risk.

Other Price Risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Corporation are not exposed to other price risk.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair Values

Financial instruments include cash, receivables, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying value due to the relatively short-term maturity of these instruments. The Corporation classifies its cash as financial assets at fair value through profit or loss, receivables as amortized cost and its accounts payable and accrued liabilities as amortized cost. Cash is measured using level 1 of the fair value hierarchy.

11. RELATED PARTY TRANSACTIONS

a) The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

		2019		2018
Consulting fees charged by directors, officers and corporations under their control	$	246,300	$	164,500
General and administrative expense		7,200		9,282
Share-based payments		-		82,279
Total	$	253,500	$	256,001

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective years.

b) Included in accounts payable and accrued liabilities is $137,813 (June 30, 2018 - $13,125) due to corporation controlled by an officer and a director of the Company.

12. CAPITAL MANAGEMENT

The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal as the Company does not generate cash flow from current operations. Accordingly, the Company is not subject to any externally imposed capital requirements.

The Company defines its capital as shareholders' equity. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company believes that it will be able to raise sufficient funds from share issuances to fund its working capital for the coming year.

There have been no changes to the Company's approach to capital management during the year.

13. SEGMENTED INFORMATION

The Corporation operates in one segment being the development of application technology in one geographic region being Canada.

14. SUBSEQUENT EVENT

Subsequent to year end, on August 16, 2019 the Company closed a non-brokered private placement of 10,740,909 units at price of $0.022 per unit, for gross proceeds of $236,300 of which $217,340 has been received. Each unit consisted of one common share and one common share purchase warrant, each warrant entitling the holder to acquire one additional common share of the Company at a price of $0.05 per warrant share until August 16, 2020. In connection with the financing, the Company paid financing costs of $7,040 and issued 320,000 finder's warrants exercisable into common shares at a price of $0.05 for a period of one year from the date of issuance. The Company received $6,000 prior to June 30, 2019 related to this private placement.