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**TECHX TECHNOLOGIES INC.  
(FORMERLY LITELINK TECHNOLOGIES INC.)**

**Consolidated Financial Statements**

**As at and for the Years Ended February 28, 2021 and February 29, 2020**

*(Expressed in U.S. Dollars)*

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**INDEPENDENT AUDITORS' REPORT**

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To the Shareholders and Directors of TechX Technologies Inc.

**Opinion**

We have audited the consolidated financial statements of TechX Technologies Inc. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at February 28, 2021 and February 29, 2020, and the consolidated statements of net and comprehensive loss, cash flows and changes in equity (deficiency) for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2021 and February 29, 2020, and its financial performance and its cash flows for the years ended February 28, 2021 and February 29, 2020 in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

**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 *Auditors' 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 audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter - Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

### **Auditors' 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 auditors' 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 auditors' 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 auditors' 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 audits.

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 auditors' report is Paul Joseph Leedham.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
June 28, 2021

**TECHX TECHNOLOGIES INC.**  
**(FORMERLY LITELINK TECHNOLOGIES INC.)**  
Consolidated Statements of Financial Position  
As at February 28, 2021 and February 29, 2020  
(Expressed in U.S. Dollars)



	Note	February 28, 2021	February 29, 2020
<b>ASSETS</b>			
Current assets			
Cash		\$ 417,982	\$ 693,705
Accounts receivable	4	11,068	18,628
Sales tax receivable	4	102,051	102,783
Digital currencies	5	-	66,588
Inventories		-	100
Prepaid expenses and deposits	6	185,967	97,634
Due from related parties	15	44,484	-
<b>Total current assets</b>		<b>761,552</b>	<b>979,438</b>
Non-current assets			
Right-of-use asset	9	-	202,361
Equipment	10	-	37,417
Other noncurrent asset	7	195,975	-
<b>Total noncurrent assets</b>		<b>195,975</b>	<b>293,778</b>
<b>Total assets</b>		<b>\$ 957,527</b>	<b>\$ 1,219,216</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 690,896	\$ 264,644
Notes payable and demand loans	11	360,215	-
Current portion of lease liability	12	39,138	172,569
<b>Total current liabilities</b>		<b>1,090,249</b>	<b>437,213</b>
Long-term portion of lease liability	12	14,397	66,068
Loans payable	13	33,310	-
<b>Total liabilities</b>		<b>1,137,956</b>	<b>503,281</b>
<b>EQUITY (DEFICIENCY)</b>			
Share capital	16	19,995,798	17,203,519
Reserves	15,16	4,380,565	2,998,869
Accumulated other comprehensive loss		(367,659)	(138,162)
Deficit		(25,076,131)	(20,248,291)
Deficiency attributable to equity holders of the parent		(1,067,427)	(184,065)
Non-controlling interest	20	886,998	900,000
<b>Total equity (deficiency)</b>		<b>(180,429)</b>	<b>715,935</b>
<b>Total liabilities and equity (deficiency)</b>		<b>\$ 957,527</b>	<b>\$ 1,219,216</b>

Nature of operations and going concern (Note 1)  
Commitments (Note 21)  
Subsequent events (Note 25)

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

Aleem Nathwani, Director  
Approved On behalf of the Board of Directors, on June 28, 2021

Michael Vogel, Director

TECHX TECHNOLOGIES INC.  
(FORMERLY LITELINK TECHNOLOGIES INC.)  
Consolidated Statements of Net and Comprehensive Loss  
For the years ended February 28, 2021 and 2020  
(Unaudited - Expressed in U.S. Dollars)



	Note	For the Year Ended	
		February 28, 2021	February 29, 2020
Sales	14	\$ 3,223	\$ 176,436
Cost of sales	14	-	(158,229)
Gross profit		3,223	18,207
<b>OPERATING EXPENSES</b>			
General and administrative	23	2,736,536	4,584,301
Selling	23	405,280	1,391,631
Research and development	23	15,548	-
Total operating expenses		(3,157,364)	(5,975,932)
Loss before other items		(3,154,141)	(5,957,725)
Other expenses	23	(1,686,701)	(3,504,162)
<b>NET LOSS FOR THE YEAR</b>		<b>(4,840,842)</b>	<b>(9,461,887)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Cumulative translation adjustment		(229,497)	(128,813)
<b>COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>\$ (5,070,339)</b>	<b>\$ (9,590,700)</b>
<b>Allocation of Net Loss:</b>			
Equity holders of the parent		\$ (4,827,840)	\$ (9,461,887)
Non-controlling interest of the subsidiary	20	(13,002)	-
<b>NET LOSS</b>		<b>\$ (4,840,842)</b>	<b>\$ (9,461,887)</b>
<b>Allocation of Comprehensive Loss:</b>			
Equity holders of the parent		\$ (5,057,337)	\$ (9,590,700)
Non-controlling interest of the subsidiary	20	(13,002)	-
<b>COMPREHENSIVE LOSS</b>		<b>\$ (5,070,339)</b>	<b>\$ (9,590,700)</b>
<b>LOSS PER SHARE, Basic and Diluted</b>		<b>\$ (0.07)</b>	<b>\$ (0.14)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic and Diluted</b>			
	16	69,681,837	68,850,409

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

TECHX TECHNOLOGIES INC.  
(FORMERLY LITELINK TECHNOLOGIES INC.)  
Consolidated Statements of Cash Flows  
For the years ended February 28, 2021 and 2020  
(Expressed in U.S. Dollars)



	For the Year Ended	
	February 28, 2021	February 29, 2020
<b>Cash Provided By (Used In)</b>		
<b>Operating Activities</b>		
Net loss for the year	\$ (4,840,842)	\$ (9,461,887)
Items not affecting cash:		
Depreciation of equipment	37,417	27,950
Accretion	2,800	-
Bad debt expense	-	3,500
Foreign exchange (gain) loss	(76,976)	(15,003)
Share-based compensation	1,381,696	448,568
Lease interest	30,288	40,259
Loss on revaluation of investments	-	316,793
Loss on sale of digital currencies	30,793	-
Depreciation of right-of-use assets	148,721	134,666
Impairment of intangible assets	1,793,817	3,269,687
Impairment of ROU asset	46,736	226
Other income	(13,481)	-
Gain on revaluation of digital currencies	1,981	-
Gain on settlement of debt	(61,071)	-
Gain on termination of lease	(16,007)	-
Consulting fees	247,435	-
Changes in non-cash working capital:		
Accounts receivable	8,292	53,805
Due from related party	(44,484)	-
Inventories	100	-
Digital currencies	33,814	(33,836)
Prepaid expenses and deposits	(88,333)	310,479
Accounts payable and accrued liabilities	424,359	64,249
Accounts payable to related parties	(133,431)	-
<b>Net cash used in operating activities</b>	<b>(1,086,376)</b>	<b>(4,840,544)</b>
<b>Investing Activities</b>		
Deposit for future investments	(195,975)	-
Acquisition of equipment	-	(6,423)
<b>Net cash used in investing activities</b>	<b>(195,975)</b>	<b>(6,423)</b>
<b>Financing Activities</b>		
Principal portion of lease payments repayment	(59,443)	(178,067)
Proceeds from the issuance of common shares	751,027	-
Proceeds from the issuance of preferred shares	-	900,000
Proceeds from exercise of warrants	-	149,995
CEBA loan proceeds	43,991	-
Proceeds from note payable	437,564	-
Repayment of interest on notes payable	(77,349)	-
<b>Net cash provided by financing activities</b>	<b>1,095,790</b>	<b>871,928</b>
<b>Increase (decrease) in cash</b>	<b>(186,561)</b>	<b>(3,975,039)</b>
<b>Effect of foreign exchange rate changes on cash</b>	<b>(89,162)</b>	<b>(83,968)</b>
<b>Cash, beginning of the year</b>	<b>693,705</b>	<b>4,752,712</b>
<b>Cash, end of the year</b>	<b>\$ 417,982</b>	<b>\$ 693,705</b>

Supplemental non-cash disclosure (Note 22)

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

TECHX TECHNOLOGIES INC.  
(FORMERLY LI TELINK TECHNOLOGIES INC.)  
Consolidated Statements of Changes in Equity (Deficiency)  
For the years ended February 28, 2021 and 2020



(Expressed in U.S. Dollars)

	Share capital (Note 18)		Reserves	Accumulated other comprehensive loss	Non- controlling interest	Deficit	Total
	Shares issued <sup>1</sup>	Amount					
<b>Balance, March 1, 2019</b>	67,354,747	\$17,053,524	\$ 2,550,301	\$ (9,349)	\$ -	\$ (10,777,596)	\$ 8,816,880
Adjustment on adoption of IFRS 16	-	-	-	-	-	(8,808)	(8,808)
<b>Restated opening balance as at March 1, 2019</b>	67,354,747	17,053,524	2,550,301	(9,349)	-	(10,786,404)	8,808,072
Comprehensive loss for the year	-	-	-	(128,813)	-	(9,461,887)	(9,590,700)
Preferred shares exercised (Note 20)	-	-	-	-	900,000	-	900,000
Warrants exercised	1,608,250	149,995	-	-	-	-	149,995
Stock-based compensation	-	-	448,568	-	-	-	448,568
<b>Balance, February 29, 2020</b>	68,962,997	\$17,203,519	\$2,998,869	\$ (138,162)	\$900,000	\$ (20,248,291)	\$ 715,935
Comprehensive loss for the year	-	-	-	(229,497)	(13,002)	(4,827,840)	(5,070,339)
Private placements	10,050,000	791,652	-	-	-	-	791,652
Finders' fees	-	(8,972)	-	-	-	-	(8,972)
Shares issued for consulting services	405,714	247,435	-	-	-	-	247,435
Shares issued for purchase of intangible asset	3,800,000	1,793,817	-	-	-	-	1,793,817
Subscription receivable	-	(31,653)	-	-	-	-	(31,653)
Stock-based compensation	-	-	1,381,696	-	-	-	1,381,696
<b>Balance, February 28, 2021</b>	<b>83,218,711</b>	<b>\$19,995,798</b>	<b>\$4,380,565</b>	<b>\$ (367,659)</b>	<b>\$886,998</b>	<b>\$ (25,076,131)</b>	<b>\$ (180,429)</b>

<sup>1</sup>Adjusted for 2.5:1 share consolidation on February 4, 2021

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





## **1. NATURE OF OPERATIONS AND GOING CONCERN**

TechX Technologies Inc. (formerly LiteLink Technologies Inc.) (the "Company") was incorporated on June 11, 2010 under the Laws of British Columbia. The Company is traded on the Canadian Securities Exchange ("CSE") under the symbol TECX (formerly LLT). The Company offers several services in the software development and consulting industries. The Company is dedicated to revolutionizing established industries by applications with artificial intelligence, smart contract technology, and digital remittances. During the year ended February 28, 2021, the Company changed its head office from 260 – 3480 Gilmore Way, Burnaby, B.C., V5G 4Y1 to 1050 – 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1.

The Company incurred a comprehensive loss for the year ended February 28, 2021 of \$5,070,339. As at February 28, 2021, the Company had a working capital deficiency of \$328,697 and an accumulated deficit of \$25,076,131 and expects to incur further losses in the development of its business. The Company's ability to continue operations in the normal course of business is dependent upon establishing sufficient cash flows from its software development projects, or on the receipt of additional debt or equity financing. The nature and significance of these conditions along with the continuing losses and accumulated deficit indicates the existence of a material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the consolidated financial statements. Such adjustments could be material. See Note 19.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected impacts on global commerce are expected to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its subsidiaries, in future periods, such as:

- The impact on the Company's products and services and supply chains in the near-term
- The availability of external funding sources during the next fiscal period
- The effect on labour availability due to the severity and the length of potential measures taken by governments to manage the spread of the disease

The effect of COVID-19 has had material and significant impact on the Company's operations. The Company's operations have been affected by complete shut down in operations, the inability to continue development on its technologies, a down turn in successful business development, the inability to meet operational and technology milestones, and the inability to be compliant in making its required continuous disclosure filings with securities regulatory authorities in a timely manner.

The Company continues to closely evaluate the impact of COVID-19 on its operations.

## **2. BASIS OF PRESENTATION**

### **Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements are authorized for issue by the Board of Directors on June 28, 2021.

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.



**2. BASIS OF PRESENTATION (continued)**

**Functional and Presentation Currency**

These consolidated financial statements are presented in U.S. dollars unless otherwise noted. The financial statements of each company within the consolidated group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of TechX Technologies Inc. (“parent”) and TechX Labs Inc. (formerly LiteLink Labs Inc.) is the Canadian dollar (“CAD”), whereas the functional currency of AXS and uBuck is the U.S. dollar.

**Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned legal subsidiaries on a consolidated basis after the elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement and can affect those returns through its power to direct the relevant activities of the entity. The Company’s parent and subsidiaries are as below:

<b>Entity</b>	<b>Place of incorporation</b>	<b>Economic Interest</b>	<b>Status</b>
TechX Technologies Inc. (“TechX”)	British Columbia, Canada	Parent	Active
AXS Innovations Inc. (“AXS”)	British Columbia, Canada	100%	Active
TechX Labs Inc. (“Labs”)	British Columbia, Canada	100%	Active
uBuck Technologies SEZC (“uBuck”)	Cayman Islands	97%	Active
uBuck One Inc.	Cayman Islands	97%	Dormant
uBuck India Private Limited	Bangalore Karnataka, India	97%	Dormant
uBuck Technologies (Canada) Inc.	British Columbia, Canada	97%	Dormant
uBuck Technologies (USA) Inc.	Delaware, USA	97%	Dormant
uBuck Technologies (UK) Ltd.	England and Wales	97%	Dormant

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

**Use of estimates and judgments**

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

Critical Judgments

The preparation of these consolidated financial statements requires management to make judgments:

- i) Going concern: The going concern of the Company is previously discussed in Note 1.
- ii) Functional currency: The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of the legal parent and subsidiaries as described above. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

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## 2. BASIS OF PRESENTATION (continued)

### Use of estimates and judgments (continued)

- iii) Intangibles – impairment: 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, which is the higher of an asset’s fair value less costs to sell and value in use. Intangibles are written down to their recoverable amount when a decline is identified. 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.
- iv) Revenue recognition: The Company’s revenue is comprised of services for software development performed for a third party. Revenues are recognized when performance of services have occurred in accordance with contractual obligations. The Company recognizes revenue in an amount that reflects the transaction price and satisfaction of performance obligations. The area of judgment includes identifying the performance obligation per the definition within IFRS 15 *Revenue from Contracts with Customers* and determining whether control has passed to the customer.

### Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements in conformity with IFRS requires management to make estimates that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates, and such differences could be material. Significant estimates made by management affecting the consolidated financial statements include:

- i) Recovery of deferred tax assets: Judgment is required in determining whether deferred tax assets are recognized on the consolidated statements of financial position. Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future years.
- ii) Determination of asset fair values and allocation of purchase consideration: Significant asset acquisitions require judgments and estimates to be made at the date of acquisition in relation to determining the relative fair value of computing equipment and future acquisition rights and the allocation of the purchase consideration over the fair value of the assets. The information necessary to measure the fair values as at the acquisition date of assets acquired requires management to make certain judgments and estimates about future events, including but not limited to availability of hardware and expertise, future production opportunities, future digital currency prices and future operating cost.
- iii) Depreciation: Depreciation of computing equipment is an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hash rates, technological changes, availability of hardware, production costs and other factors. The estimates are reviewed at least annually and are updated if expectations change because 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 depreciation expense.
- iv) Digital currency valuation: Digital currencies consist of cryptocurrencies (Note 5) and are included in current assets. Digital currencies are carried at their fair value determined by the closing price of [coinmarketcap.com](https://coinmarketcap.com), cost

## 2. BASIS OF PRESENTATION (continued)

### Use of estimates and judgments (continued)

to sell the digital currencies are considered immaterial and no allowance is made for such costs. The digital currency market is a relatively new market and has been highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital currencies will have a corresponding impact on the Company's earnings and financial position.

- v) Valuation of share-based compensation: The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, risk-free interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and subject to an insignificant risk of change value.

### Digital currencies (Note 5)

Digital currencies consisted of cryptocurrencies and are included in current assets. Digital currencies are carried at their fair value and adjusted at each reporting date for revaluation gains and losses through profit and loss as well as when digital currencies are exchanged or sold for traditional (fiat) currencies, such as the U.S. dollar.

The Company's determination to classify its holding of digital currencies as a current asset is based on management's assessment that its bitcoin held can be a commodity that may be readily sold because liquid markets are available.

### Financial instruments

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") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

#### *Financial assets at FVTPL*

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the consolidated statements of net loss and comprehensive loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified its investments at fair value through profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Financial assets at FVTOCI*

Investments 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. The Company has not classified any financial assets at FVOCI.

##### *Financial assets at amortized cost*

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortized cost are initially recognized at fair value and are measured subsequent at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognized using the effective interest method and is recognized in interest and other income on the consolidated statements of net and comprehensive loss. The Company has classified its cash, accounts receivable and due from related parties as financial assets at amortized cost.

##### *Derecognition of financial assets*

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 the consolidated statement of net and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

##### *Impairment of financial assets and contract assets*

The Company recognizes loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL's that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

#### Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to the consolidated statement of net and comprehensive loss and is recognized in OCI.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### *Impairment of financial assets and contract assets (continued)*

##### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due.

##### *Financial liabilities*

The Company initially recognizes financial liabilities at fair value on the date that they are originated. All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual obligations are discharged or cancelled or expire.

The Company classifies its financial liabilities as either financial liabilities at fair value through profit and loss or amortized cost. Subsequent to initial recognition financial liabilities are classified at amortized cost and measured using the effective interest method. Financial liabilities at fair value are stated at fair value with changes being recognized in profit or loss. The Company has classified its accounts payable, notes payable, lease liability and loans payable as financial liabilities at amortized cost. The Company has no financial liabilities designated at FVTPL.

#### Investments

Investments are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the change in fair value of its investments based on the criteria below and records such change in profit and loss:

- There has been a significant new equity financing with arms-length investors at a valuation above or below the current fair value of the investee company, in which case the fair value of the investment is adjusted to the value at which the financing took place; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward; or
- There have been significant corporate, operating, technological or economic events affecting the investee company that, in the Company's opinion, have a positive or negative impact on the investee company's prospects and, therefore, its fair value; or
- The investee company is placed into receivership or bankruptcy.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period. In the absence of the occurrence of any of these events, or any significant change in general market conditions, the fair value of the investment is left unchanged.

Application of the valuation techniques above may involve uncertainties and determinations based on the Company's judgment, and any value estimated from these techniques may not be realized.

For those investments in which the Company has significant influence the Company uses the equity method of accounting whereby an equity investment is initially recorded at cost and subsequently adjusted to reflect the investor's share of the net profit or loss of the investee. Any distributions received from the investee company reduce the carrying amount of the investment. As at February 28, 2021, the Company did not have significant influence over any investees.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Equipment

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. As well, all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management. Gains and losses on disposal of an item of fixed assets are determined by comparing the proceeds from disposal with the carrying amount of item and are recognized net in profit or loss. Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation is recognized in profit or loss over the estimated useful lives of fixed assets, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The Company rates for depreciation are as follows:

Computer equipment	2 years straight-line
Furniture and office equipment	2 years straight-line
Leasehold improvements	Straight-line over the lease-term
Software	1 year straight-line

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### Intangible assets

The Company owns intangible assets consisting of purchased intellectual property. Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in connection with an asset acquisition are initially recorded at fair value. Following initial recognition, intangible assets are carried at initial carrying value less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. The Company does not hold any intangible assets with indefinite lives. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Research costs are charged to operations when they are incurred. Development costs are capitalized as intangible assets when the Company can demonstrate that the technical feasibility of the project has been established; the Company intends to complete the asset for use or sale and has the ability to do so; the asset can generate probable future economic benefits; the technical and financial resources are available to complete the development; and the Company can reliably measure the expenditure attributable to the intangible assets during its development. Management determined that as at February 28, 2021, it was not yet able to demonstrate with sufficient certainty that it is probable any economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been expensed.

The amortization method and period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

#### Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets, including property and equipment and intangible assets, when events or changes in circumstances indicate the assets may not be recoverable. 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. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Assets carried at fair value, such as digital currencies, are excluded from impairment analysis.



### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of non-financial assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows to be derived from continuing use of the asset or cash generating unit 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. Fair value less cost to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. When a binding sale agreement is not available, fair value less costs to sell is estimated using a discounted cash flow approach with inputs and assumptions consistent with those of a market participant. 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 net income. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized.

#### Right-of-use asset and lease obligation

Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct cost (e.g., commissions) and an estimate of restoration, removal and dismantling costs. Subsequently, lessees accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made, and the related right-of-use asset is depreciated in accordance with the depreciation requirements of *IAS 16 Property and Equipment*. Right-of-use assets are subject to impairment testing under *IAS 36 Impairment of Assets*. Other leases are operating leases and are recognized on a straight-line basis in the Company's consolidated statements of loss and comprehensive loss. Please also see Note 9 – Right-of-Use Assets.

A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and is adjusted for certain re-measurements of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term or the end of the useful life of the right-of-use asset. The estimated useful life of the right-of-use assets are determined on the same basis as those of property and equipment. The determination of the depreciation period is dependent on whether the Company expects that the ownership of the underlying asset will transfer to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or 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. The Company applies judgment to determine the lease term for some lease contracts which contain renewal options.

The Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and leases with lease terms that are less than 12 months. Lease payments associated with these arrangements are instead recognized as an expense over the term on either a straight-line basis, or another systematic basis if more representative of the pattern of benefit.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. 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 regards to previous years.

Deferred tax is recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. 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.

#### Share capital

Common shares and preferred shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects. For unit offerings, the proceeds from the issuance of units are allocated between common shares and share purchase warrants using the residual method, allocating fair value to the common shares first, and then to the share purchase warrants.

#### Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. At each reporting date, the Company revises its estimates of the number of options that are expected to vest, based on the non-market vesting conditions. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be reliably measured, they are measured at the fair value of the share-based payment. Otherwise, share based payments are measured at the fair value of goods or services rendered. Expired stock options are transferred from reserves to deficit.

#### Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related parties transactions that are in the normal course of business and have commercial substance are measured at exchange amount.

#### Revenue recognition

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") was issued to replace IAS 18, *Revenue* and IAS 11, *Construction Contracts* and related interpretations such as IFRIC 13, *Customer Loyalty Programs*. IFRS 15 introduces a single contract-based five-step model that applies to contracts with customers and two approaches for the recognition of revenue: at a point in time or over time.

The Company adopted IFRS 15 effective March 1, 2019. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

The Company uses the following five-step contract-based analysis of transactions to determine if, when and how much revenue can be recognized:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation.

These revenue-generating activities of the Company have a single performance obligation and revenue is recognized at the point in time when control of the product transfers to the customer and the Company's obligations have been fulfilled. This generally occurs when the product is shipped or delivered to the customer, depending upon the method of distribution and shipping terms set forth in the contract.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for the sale of the Company's product or the services rendered by the Company.

#### *Service contracts*

Revenue under service contracts is recognized when completion of services is achieved. Revenues are recognized under these contracts when services are delivered. The revenue from service contracts is presented under the Software development segment (Note 14).



**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Sale of debit cards*

The Company recognizes revenue from the sale of physical prepaid debit cards relating to the uBuck Pay service in which customers may purchase either a physical or virtual card. Revenue generated from the sale of cards is recognized when completion of sale occurs, and ownership and control of cards are transferred to customers. During the year ended February 28, 2021, the Company had no revenues from the sale of prepaid debit cards (year ended February 29, 2020 - nil).

**Research and development**

The primary components of research and development expenses are employee compensation and benefits, professional services, contractor services, and product development.

**Foreign exchange**

Transactions in currencies other than the functional currency of the Company and its subsidiary are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the reporting date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. These exchange gains and losses arising on translation into functional currency are recognized through profit or loss.

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date, and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

**4. ACCOUNTS RECEIVABLE AND SALES TAX RECEIVABLE**

	<b>February 28, 2021</b>	February 29, 2020
Accounts receivable	\$ 14,568	22,128
Allowance for doubtful accounts	<b>(3,500)</b>	(3,500)
	<b>\$ 11,068</b>	18,628

Accounts receivable – net of allowance as at February 28, 2021 consists of trade receivables amounting to \$11,068 (2020 – \$18,628). The Company's sales taxes receivable of \$102,051 (2020 – \$102,783) arises from Goods and Services Tax ("GST") due from the Canada Revenue Agency. The Company has subsequently filed the GST returns and is awaiting assessment.



## 5. DIGITAL CURRENCIES

As at February 28, 2021 and February 29, 2020, the Company's digital currencies are described in the table below. Digital currencies are recorded at their fair value on the date they are acquired and are revalued to their current market value at each reporting date. The fair value is determined using the closing price of the coin at the end of the period quoted on coinmarketcap.com.

As at February 28, 2021:

	BTC Units	Bitcoin (\$)	LBRY Units	LBRY (\$)	Total
Carrying value at February 29, 2020	7.51	\$ 64,607	154,886	\$ 1,981	\$ 66,588
Additions	-	-	-	-	-
Gain (loss) on revaluation	-	-	-	(1,981)	(1,981)
Sales	(7.51)	(33,815)	-	-	(33,815)
Gain (loss) on sale	-	(30,792)	-	-	(30,792)
<b>Fair value at February 28, 2021</b>	<b>-</b>	<b>\$ -</b>	<b>154,886</b>	<b>\$ -</b>	<b>\$ -</b>

During the year ended February 28, 2021, it was determined that challenges in market conditions cast significant doubt on the recoverability of the LBRY digital currency units. As such, the Company recorded a loss on revaluation of \$1,981.

As at February 29, 2020:

	BTC Units	Bitcoin (\$)	LBRY Units	LBRY (\$)	Total
Carrying value at February 28, 2019	7.51	\$ 28,960	154,886	\$ 3,792	\$ 32,752
Additions	-	-	-	-	-
Gain (loss) on revaluation	-	35,647	-	(1,811)	(33,836)
Sales	-	-	-	-	-
Gain (loss) on sale	-	-	-	-	-
<b>Fair value at February 29, 2020</b>	<b>7.51</b>	<b>\$ 64,607</b>	<b>154,886</b>	<b>\$ 1,981</b>	<b>\$ 66,588</b>

## 6. PREPAID EXPENSES AND DEPOSITS

The Company's prepaid expenses and deposits consist of the following:

	February 28, 2021	February 29, 2020
Prepaid expenses	\$ 166,897	\$ 2,233
Deposits	-	36,416
Wallet card prepayments	16,226	58,985
Others	2,844	-
	<b>\$ 185,967</b>	<b>\$ 97,634</b>

Prepaid expenses mostly pertain to business development expenses incurred subsequent to February 28, 2021.

Wallet card prepayments consist of funds from uBuck clients for future deposits to their debit cards. Funds are initially held by the Company as deposits, then subsequently reduced as funds are transferred to client prepaid cards.

## 7. INVESTMENTS

At February 29, 2020 and February 28, 2021, the Company's investments consisted of the following:

Investment	Konnect Mobile Communications Inc.	Zoom Solutions, Inc.
Balance, February 28, 2019	\$ 68,346	\$ 250,002
Loss on revaluation	(66,791)	(250,002)
Cumulative translation adjustment	(1,555)	-
<b>Balance, February 29, 2020 and February 28, 2021</b>	<b>\$ -</b>	<b>\$ -</b>

The Company accounts for these investments as financial assets at fair value through profit and loss under IFRS 9.

a. Konnect Mobile Communications Inc.

On September 7, 2018, the Company acquired a 2.27% interest in Konnect Mobile Communications Inc. ("Konnect") for total consideration of \$455,603 (CAD\$600,000) in cash. Konnect is a private Canadian technology company which develops payment solution products.

For the year ended February 29, 2020, it was determined that significant delays in the full-market launch of Konnect's flagship product along with lack of funding and outperformance by competitors has cast significant doubt over the recoverability of this investment. As such, it was determined that the fair value of this investment was \$nil as at February 29, 2020, and as a result the Company recorded a loss on revaluation of \$66,791.

b. Zoom Solutions, Inc.

On November 6, 2018, the Company acquired 83,334 Units in Zoom Solutions, Inc. ("Zoom"), whereby each unit is comprised of one Series A Cumulative Convertible Preferred Stock ("Shares"), and one Warrant. As consideration, the Company paid \$250,002 in cash. Zoom is a private company based in Arkansas, U.S. specializing in payments, blockchain and cloud storage.

For the year ended February 29, 2020, it was determined that Zoom's stalled growth due to change in strategy on payment platform and lack of funding has cast significant doubt over the recoverability of this investment. As such, it was determined that the fair value of this investment was \$nil as at February 29, 2020, and as a result the Company recorded a loss on revaluation of \$250,002.

c. CatalX Exchange Inc.

Deposits of \$195,975 reported as other noncurrent assets consist of cash payments towards an investment in CatalX Exchange Inc., a cryptocurrency exchange company (Note 25) (2020 – \$Nil).

## 8. INTANGIBLE ASSETS

Intangible assets are comprised of the following:

	<b>Intangible Assets</b>	
Balance, February 28, 2019	\$	3,297,974
Additions		37,926
Amortization		-
Cumulative translation adjustment		(66,212)
Impairment of intangible assets		(3,269,687)
<b>Balance, February 29, 2020</b>		<b>-</b>
Additions		1,793,817
Amortization		-
Impairment of intangible assets		(1,793,817)
<b>Balance, February 28, 2021</b>	<b>\$</b>	<b>-</b>

For the year ended February 29, 2020, intangible assets were acquired through the acquisition of Labs. The benefit to the Company of acquiring the IP was to obtain various software technologies. For the year ended February 29, 2020 it was determined that challenges in market conditions cast significant doubt on the ability for the Company to continue funding operations and development to recover the value from its IP intangible asset. It was determined that the fair value of intangible assets was lower than its carrying value, and as a result the Company recorded an impairment loss of \$3,269,687.

For the year ended February 28, 2021, intangible assets acquired from an arm's-length party consisted of software for use in an Internet of Things ("IoT") product which monitors fill levels of waste containers and alerts the waste management companies about the required container turnover.

In November 2019, the Company paid \$37,926 to the arm's-length party towards the purchase of the IoT assets. On January 19, 2021, the Company issued 2,000,000 common shares to the arm's length party at \$0.275 per common share. On February 23, 2021, the Company issued 1,800,000 common shares to the arm's length party at \$0.50 per common share. During the year it was determined that challenges in the IoT market cast significant doubt on the ability of the IoT assets to generate future economic benefits. It was determined that the fair value of the IoT assets were lower than their carrying value, therefore the Company recorded an impairment loss of \$1,793,817 (CAD \$2,275,000).

## 9. RIGHT-OF-USE ASSETS

	Building Lease - TechX	Building Lease - uBuck	Vehicle Lease 1 - Tech X	Vehicle Lease 2 - Tech X	Total
<b>Cost:</b>					
Balance, March 1, 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Recognition upon adoption of IFRS 16	231,871	-	-	-	231,871
Additions	-	105,156	-	-	-
Balance, February 29, 2020	231,871	105,156	-	-	337,027
Additions	-	-	54,497	55,152	109,649
Impairment	-	(105,156)	-	-	(105,156)
Settlement	(231,871)	-	-	-	(231,871)
Transferred to related party	-	-	(54,497)	(55,152)	(109,649)
<b>At February 28, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Accumulated amortization:</b>					
Balance, March 1, 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	(111,298)	(23,368)	-	-	(134,666)
Balance, February 29, 2020	(111,298)	(23,368)	-	-	(134,666)
Depreciation	(102,023)	(35,052)	(5,788)	(5,858)	(148,721)
Impairment	-	58,420	-	-	58,420
Settlement	213,321	-	-	-	213,321
Transferred to related party	-	-	5,788	5,858	11,646
<b>At February 28, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net book value:</b>					
At February 29, 2020	\$ 120,573	\$ 81,788	\$ -	\$ -	\$ 202,361
<b>At February 28, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Burnaby office

In July 2018 the Company entered into an agreement to sublease office premises. The sublease commenced in December 2018 with a term of 28 months and the final month of this lease is March of 2021. The building provides office space for the Company for general business purpose. During the year ended February 29, 2020 the Company recognized the right-of-use building and corresponding lease liability (Note 12) upon the adoption of IFRS 16. The right-of-use building is depreciated on a straight-line basis over the remaining lease term.

During the year ended February 28, 2021, pursuant to a termination agreement with the lessor, the Company paid an aggregate of \$74,722 to the lessor to settle the outstanding rent amounts payable. As a result, the Company recognized the carrying value of the ROU asset amounting to \$18,550 as a loss on settlement of lease (Note 23) (2020 – \$Nil).

### George Town, Cayman Islands office

In June 2019, the Company, through uBuck, entered into an agreement to lease office premises. The lease commenced in July 2019 with a term of 36 months, ending in June 2022. During the year ended February 29, 2020 the Company recognized the right-of-use building and corresponding lease liability (Note 12) upon the adoption of IFRS 16. The right-of-use asset is depreciated on a straight-line basis over the lease term.

During the year ended February 28, 2021, due to uncertainty surrounding the realization of future economic benefits for uBuck, the Company wrote down the value of its right-of-use asset to \$Nil and recognized an impairment loss of \$46,736 in the consolidated statements of net and comprehensive loss (2020 – \$Nil).



**9. RIGHT-OF-USE ASSETS (continued)**

Vehicles

During the year ended February 28, 2021, the Company recognized a right-of-use asset addition of \$109,649 relating to the lease of vehicles that commenced in June 2020. The Company leased two vehicles, each for a term of 48 months. The right-of-use assets are depreciated on a straight-line basis over this lease term. The total monthly lease payments are \$1,561 and there is an option to buy the trucks at \$83,626 at the end of the lease.

During the year ended February 28, 2021, the Company derecognized the leases of both vehicles as the lease contracts were transferred to a director and former director for no consideration. As a result, the Company recognized the carrying value of the ROU asset amounting to \$98,002 as a loss on transfer of lease (Note 23) (2020 – \$Nil).

**10. EQUIPMENT**

Equipment consisted of the followings during the year ended February 28, 2021:

	Computer Equipment	Digital Currency Computing Equipment	Software	Furniture and Office Equipment	Leasehold Improvements	Total
<b>Cost:</b>						
At February 28, 2019	\$ 48,372	\$ 1,338,438	\$ 352,609	\$ 13,184	\$ 11,903	\$ 1,764,506
Additions	7,754	-	-	-	-	7,754
Disposals	(2,293)	-	-	(7,189)	-	(9,482)
Cumulative translation adjustment	(941)	-	-	(213)	(236)	(1,390)
At February 29, 2020	52,892	1,338,438	352,609	5,782	11,667	1,761,388
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>At February 28, 2021</b>	<b>\$ 52,892</b>	<b>\$ 1,338,438</b>	<b>\$ 352,609</b>	<b>\$ 5,782</b>	<b>\$ 11,667</b>	<b>\$ 1,761,388</b>
<b>Depreciation:</b>						
At February 28, 2019	\$ (10,842)	\$ (1,338,438)	\$ (352,609)	\$ (3,447)	\$ -	\$ (1,705,336)
Depreciation	(24,777)	-	-	(3,173)	-	(27,950)
Disposals	1,147	-	-	2,354	-	3,501
Cumulative translation adjustment	5,120	-	-	694	-	5,814
At February 29, 2020	\$ (29,352)	\$ (1,338,438)	\$ (352,609)	\$ (3,572)	\$ -	\$ (1,723,971)
Depreciation	(23,540)	-	-	(2,210)	(11,667)	(37,417)
<b>At February 28, 2021</b>	<b>\$ (52,892)</b>	<b>\$ (1,338,438)</b>	<b>\$ (352,609)</b>	<b>\$ (5,782)</b>	<b>\$ (11,667)</b>	<b>\$ (1,761,388)</b>
<b>Net book value:</b>						
At February 29, 2020	\$ 23,540	\$ -	\$ -	\$ 2,210	\$ 11,667	\$ 37,417
<b>At February 28, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

No additions or disposals were made during the year ended February 28, 2021 (2020 – additions of \$7,754 and disposals of \$9,482).

## 11. NOTE PAYABLE AND DEMAND LOANS

As at February 28, 2021, the Company:

	Loan 1		Loan 2		TOTAL
Principal	\$	191,663	\$	78,833	\$ 270,497
Additions		75,325		-	75,325
Interest		91,742		-	91,742
Repayment		(77,349)		-	(77,349)
	\$	<b>281,382</b>	\$	<b>78,833</b>	\$ <b>360,215</b>

### Loan 1

On May 22, 2020, the Company entered into an asset-backed credit agreement with a financial institution (the "Institution"). The Institution advanced \$191,663 (\$263,625 CAD) to the Company on the date of agreement, along with an additional \$75,325 (\$100,000 CAD) on August 5, 2020. The loan had a term of three months from the date of advance with a maturity date of November 26, 2020. Interest was compounded at 3% per month and payable upon receipt of the first of any SR&ED claim refund or secondary capital raised by the Company. The loan is secured by the Company's accounts receivable and a first place General Security Agreement over all Company's assets.

The Company is in default and is in the process of renegotiating the terms. Originally classified as a note payable, February 28, 2021 was past the maturity date of this loan, therefore it is classified as a demand loan as at February 28, 2021. During the year, the Company made interest payments totalling \$77,349. On February 28, 2021, the total balance of this loan was \$266,988 (2020 – \$Nil) and accrued interest amounted to \$14,393 (2020 – \$Nil).

### Loan 2

On October 5, 2020, the Company received \$75,435 (\$100,000 CAD) from an arm's length party by way of a non-interest-bearing note payable. The note is secured by way of a general charge against all present and after-acquired assets of the Company. There is no set repayment date of the note, however the full amount must be paid within five calendar days of a written demand from the lender. As at February 28, 2021 the principal balance remains unchanged.

## 12. LEASE LIABILITIES

The following tables show the continuity for lease obligations as at February 28, 2021 and February 29, 2020:

	Building Lease - TechX	Building Lease - uBuck	Vehicle Lease 1 - Tech X	Vehicle Lease 2 - Tech X	Total
Opening balance, March 1, 2020	\$ 151,383	\$ 87,254	\$ -	\$ -	\$ 238,637
Additions	-	-	54,125	54,758	108,883
Accretion of lease liabilities	11,384	10,281	2,484	2,619	26,768
Lease payments	(137,857)	(44,000)	(5,485)	(5,532)	(192,874)
Loss (Gain) on settlement of lease	(24,910)	-	-	-	(24,910)
Loss (Gain) on transfer of Lease	-	-	(51,124)	(51,845)	(102,969)
<b>Balance, February 28, 2021</b>	<b>\$ -</b>	<b>\$ 53,535</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,535</b>
<b>Less: Current portion of lease liability</b>	<b>\$ -</b>	<b>\$ 39,138</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39,138</b>
<b>Long-term portion of lease liability</b>	<b>\$ -</b>	<b>\$ 14,397</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,397</b>

## 12. LEASE LIABILITIES (continued)

The following table shows the contractual undiscounted cashflow for lease obligations as at February 28, 2021:

	February 28, 2021		February 29, 2020
For the year ended February 28, 2021	\$ -	\$	194,389
For the year ended February 28, 2022	<b>44,000</b>		56,532
For the year ended February 28, 2023	<b>14,667</b>		14,667
<b>Total undiscounted lease obligation</b>	<b>\$ 58,667</b>	<b>\$</b>	<b>265,588</b>

During the year ended February 28, 2021, pursuant to a termination agreement with the lessor, the Company paid an aggregate of \$74,722 to the lessor of its building to settle the outstanding rent amounts payable. As a result, the Company recognized the carrying value of the lease liability amounting to \$24,910 as a gain on settlement of lease (Note 9) (2020 – \$Nil).

During the year ended February 28, 2021, the Company derecognized the leases of both vehicles as the lease contracts were transferred to a director and former director for no consideration (Note 15). As a result, the Company recognized the carrying value of the lease liability amounting to \$107,648 as a gain on transfer of lease (Note 23) (2020 – \$Nil).

## 13. LOANS PAYABLE AND GOVERNMENT GRANT

### Canada Emergency Business Account (“CEBA”)

Due to the outbreak of the COVID-19 pandemic, the federal government of Canada introduced the Canada Emergency Business Account (“CEBA”) which provides an interest-free loan (“CEBA Loan”) of \$40,000 CAD to eligible businesses. Repayment of \$30,000 CAD of the \$40,000 CAD loan balance on or before December 31, 2022 will result in a loan forgiveness of the remaining \$10,000 CAD.

In April 2020, the Company received \$28,447 (\$40,000 CAD) in accordance with the CEBA loan. In December 2020, the federal government of Canada introduced an expansion to the CEBA in the amount of \$15,544 (\$20,000 CAD) (“CEBA expansion”) whereby eligible businesses can receive this amount in addition to the original \$40,000 CAD. Up to \$10,000 CAD of the CEBA expansion is forgivable if repaid on or before December 31, 2022. The Company received the \$20,000 CAD expansion to the CEBA loan in error as it is not considered a CCPC (Canadian Controlled Private Corporation). The \$20,000 CAD expansion to CEBA was subsequently repaid after February 28, 2021.

As at February 28, 2021 the Company had not made any repayments of the CEBA loan. Any loan balance remaining after December 31, 2022 will be converted to a 3-year loan with an interest rate of 5% per annum paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025.

This liability is recognized in accordance with IFRS 9, *Financial Instruments* as a financial liability at amortized cost. The benefit of below-market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received.

The Company has estimated the initial carrying value of the first CEBA loan at \$19,116 (\$26,880 CAD) and the second CEBA loan at \$11,394 (\$14,661 CAD), using a discount rate of 15%, which was the estimated rate for a similar loan without the interest-free component. The total difference of \$13,481 (\$18,460 CAD) will be accreted to each CEBA loan liability over the term of the CEBA Loan and offset to other income on the consolidated statements of net and comprehensive loss.

During the year ended February 28, 2021, total accretion expense recognized for the CEBA loans amounted to \$2,800 (February 29, 2020 – \$Nil) (Note 23).

**13. LOANS PAYABLE AND GOVERNMENT GRANT (continued)**

Canada Emergency Rent Subsidy (“CERS”)

Due to the outbreak of the COVID-19 pandemic, the federal government of Canada introduced the Canada Emergency Rent Subsidy (“CERS”) which provides eligible businesses the ability to claim a subsidy on eligible expenses including rent. The subsidy runs from September 2020 to June 2021.

The amount of subsidy received is based on an entity’s decrease in revenue and can be a maximum of 65% of the eligible expense. During the year ended February 28, 2021, the amount received by the Company from the CERS totaled \$34,036 included as part of other income in the consolidated statement of net and comprehensive loss (2020 - \$Nil).

**14. SEGMENT REPORTING**

The Company generated revenues from its software development segment during the year ended February 28, 2021: During the year ended February 29, 2020, the Company generated revenues from its software development segment.

The Company, through LLI, a wholly owned subsidiary, earns 100% of its revenues from one customer through the performance of blockchain and cloud software development services, along with mobile and web application development. Therefore, the Company’s credit risk arises from the possible default of its sole customer.

During the year ended February 28, 2021 the Company’s sole operation is providing subscription software.

For the year ended February 28, 2021:

	Software subscription	Software Development	Total
Revenue	\$ 3,223	\$ -	\$ 3,223
Cost of sales	-	-	-
Gross profit	\$ 3,223	\$ -	\$ 3,233

For the year ended February 29, 2020:

	Software subscription	Software Development	Total
Revenue	\$ -	\$ 176,436	\$ 176,436
Cost of sales	-	(158,229)	(158,229)
Gross profit	\$ -	\$ 18,207	\$ 18,207

## 15. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include key management personnel and companies under the control of key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and the Company's Chief Executive Officer.

As at February 28, 2021, due from the former CEO amounted to \$44,484 (2020 – \$Nil).

During the years ended February 28, 2021 and February 29, 2020, key management compensation consisted of the following:

Compensation	For the year ended February 28, 2021	For the year ended February 29, 2020
Consulting fees	\$ -	\$ 97,894
Management fees, director fees, salaries and wages	126,652	214,318
Accounting fees	38,683	-
Share-based compensation	1,162,724	525,686
	\$ 1,328,059	\$ 837,898

Management fees, director fees, accounting and salaries and wages consisted of the following for the years ended February 28, 2021 and February 29, 2020:

Related party	Compensation	For the year ended February 28, 2021	For the year ended February 29, 2020
Director and Former CEO	Salary and directors' fees	\$ 14,730	\$ 91,535
CFO	Consulting and accounting fees	49,496	-
President and CEO of uBUCK	Salary	100,000	-
Former CFO	Salary	-	78,540
Former Chief Operating Officer	Consulting fees	-	82,861
Former Chief Innovation Officer and Former Director	Consulting and directors' fees	-	15,033
Former Director	Directors' fees	739	40,221
Former Director	Directors' fees	370	4,022
		\$ 165,335	\$ 312,212

Share-based compensation for the periods ended February 28, 2021 and February 29, 2020 consisted of the following:

Related party	For the year ended February 28, 2021	For the year ended February 29, 2020
CEO	\$ 331,117	\$ -
Directors	568,023	-
Former director and Former CEO	186,963	365,556
Former CFO	800	58,006
Former COO	1,530	33,851
Former Directors	415	16,187
President and CEO of uBUCK	73,876	52,086
	\$ 1,162,724	\$ 525,686

## 16. SHARE CAPITAL

### Authorized

Unlimited common shares without par value.

### Share capital

#### *Share issuances for the year ended February 28, 2021*

On October 8, 2020, the Company consolidated all of its issued and outstanding common shares on the basis of one post-consolidation common share for every two and a half pre-consolidation common shares.

On January 19, 2021 and February 23, 2021, the Company issued of 2,000,000 (5,000,000 pre-consolidation) and 1,800,000 common shares, respectively, in accordance with the purchase of an intangible asset (Note 7).

On January 28, 2021, the Company issued 405,714 shares (1,014,285 pre-consolidation) at \$0.61 (CA\$0.78) per common share for consulting services to two arm's length parties.

On February 9, 2021, the Company closed a non-brokered private placement, pursuant to which the Company issued 10,050,000 common shares at a price of CA\$0.10 per unit for gross proceeds of \$791,672 (CA\$1,050,000). All securities issued in connection with the private placement are subject to a four-month-and-one-day statutory hold period in accordance with applicable securities laws. A total of \$8,972 (CA\$11,400) in finders' fees was paid.

As at February 28, 2021, 4,950,000 (12,375,000 pre-consolidation) of the common shares were held in escrow (2020 – 14,850,000). The shares were held in escrow pursuant to an asset acquisition agreement to acquire certain assets being inventories of various cryptocurrencies, certain software technologies and hardware infrastructure of Blockcorp Sociedad Anonima Assets completed during the 15 months ended February 28, 2019.

#### *Share issuances for the year ended February 29, 2020*

During the year ended February 29, 2020, pursuant to the exercise of warrants, the Company issued 1,608,250 common shares (4,020,625 pre-consolidation) for total gross proceeds of \$149,995 (CAD \$201,031).

### Stock options

The Company has a Rolling Stock Option Plan whereby the maximum number of common shares reserved for issue under the plan shall not exceed 20% of the outstanding common shares of the Company, as at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the CSE). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment, consulting arrangement or holding office as a director or officer of the Company, are subject to vesting provisions as determined by the Board of Directors and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

On January 14, 2021, the Company granted an aggregate of 5,940,000 incentive stock options to officers and directors of the Company with an exercise price of \$0.175 per share for a period of three years from the date of grant.

16. SHARE CAPITAL (continued)

A summary of the stock option transactions for the year ended February 28, 2021 and February 29, 2020 is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, February 28, 2019	9,528,000	\$ 0.750
Issued	200,000	0.875
Forfeited	(3,180,000)	0.875
Balance, February 29, 2020	6,548,000	\$ 0.875
Granted	5,940,000	0.175
Forfeited	(5,748,000)	0.875
<b>Balance, February 28, 2021</b>	<b>6,740,000</b>	<b>\$ 0.258</b>

During the year ended February 29, 2020, 3,180,000 (7,950,000 pre-consolidation) options were forfeited due to terminations of consultants and employees and the consequent expiry of options after termination.

During the year ended February 28, 2021, 5,748,000 (14,370,000 pre-consolidation) options were forfeited due to terminations of consultants and employees and the consequent expiry of options after termination and resignation.

During the year ended February 28, 2021, the Company recognized share-based compensation expense of \$1,381,696 (2020 – \$448,568) representing the fair value of options granted and vested. The fair value of options granted is estimated on the grant date using the Black-Scholes option pricing model using the following weighted average variables:

	February 28, 2021	February 29, 2020
Risk-free interest rate	0.21%	1.38%
Expected option life in years	2.88	5.00
Expected stock price volatility	167.98%	237.92%
Expected dividend rate	0%	0%
Fair value per option (CAD)	\$0.18	\$0.20
Stock price at grant date (CAD)	\$0.19	\$0.20

The expected stock price volatility is determined based on available market data of similar entities in and is calculated on a weighted average basis dependent upon the number of options granted at each grant date.

16. SHARE CAPITAL (continued)

As at February 28, 2021, the Company had options outstanding, enabling the holders to acquire the following number of common shares:

Expiry Date	Exercise Price	Numbers of options outstanding	Numbers of options exercisable	Weighted average remaining contractual life (year)	Weighted average exercise price
June 6, 2023	\$ 0.875	400,000	400,000	0.13	\$ 0.060
November 9, 2023	0.875	200,000	150,000	0.08	0.030
January 14, 2024	0.175	5,940,000	5,940,000	2.54	0.150
June 1, 2024	0.875	200,000	100,000	0.10	0.030
		<b>6,740,000</b>	<b>6,590,000</b>	<b>2.85</b>	<b>\$ 0.258</b>

Warrants

A summary of the warrant transactions for the year ended February 28, 2021 and the year ended February 29, 2020 is as follows:

	Number of warrants	Weighted average exercise price
Balance outstanding, February 28, 2019	14,952,375	\$ 0.13
Exercised	(1,608,250)	0.13
Expired	(13,344,125)	0.13
<b>Balance outstanding, February 29, 2020 and February 28, 2021</b>	<b>-</b>	<b>\$ -</b>



## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Financial instruments

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximates their fair value due to the demand nature or short- term maturity of these instruments.

- 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 financial instruments consist of cash, accounts receivable, due from related parties, accounts payable, notes payable and demand loans, lease liabilities and loans payable.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

The following table summarizes at what level these financial instruments are valued at:

	Level 1	Level 2	Level 3	Total
February 28, 2021	\$	\$	\$	\$
<b>Financial Instruments measured at FVTPL</b>				
Cash	417,982	-	-	417,982
Lease liability	-	53,535	-	53,535
Loan payable	-	33,310	-	33,310
<b>Total Financial Instruments measured at FVTPL</b>	<b>417,982</b>	<b>86,845</b>	<b>-</b>	<b>504,827</b>
	Level 1	Level 2	Level 3	Total
February 29, 2020	\$	\$	\$	\$
<b>Financial Instruments measured at FVTPL</b>				
Cash	693,705	-	-	693,705
Lease liability	-	238,637	-	238,637
Loan payable	-	-	-	-
<b>Total Financial Instruments measured at FVTPL</b>	<b>693,705</b>	<b>238,637</b>	<b>-</b>	<b>932,342</b>

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## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### Financial risk management

Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

#### *Financial instrument risk exposure*

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

#### *Credit risk*

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its payment obligations. The Company has no material counterparties to its financial instruments with the exception of the financial institutions which hold its cash. The Company's credit risk arises from it deriving revenues from a sole customer, from which management does not believe the Company has a material exposure to credit risk.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. There is a risk that the Company may not be able to meet its financial obligation when they are due. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As of February 28, 2021, the Company has no financial assets that are past due or impaired due to credit risk defaults.

#### *Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

##### *a. Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

##### *b. Price risk*

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in prices. The Company's investments are exposed to price risk.

##### *c. Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's presentation currency is the U.S. dollar and historically, major purchases have been transacted in U.S. dollars, while all of the financings to date have been completed in Canadian dollars. As the Company's revenues and general and administrative costs are primarily denominated in Canadian dollars, the Company will be exposed to effects of fluctuations in foreign exchange. The fluctuation of the Canadian dollar against the U.S. dollar will consequently impact the profitability of the Company and may also affect the value of the Company's assets and liabilities and the amount of shareholders' equity. The Company's net monetary position denominated in Canadian Dollars as of February 28, 2021 is \$360,973. The impact of a 10% variance in the USD/CAD exchange rate would be approximately \$36,097.

## 18. DIGITAL CURRENCY RISK MANAGEMENT

Digital currencies are determined by prices quoted on coinmarketcap.com.

Digital currency prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is affected by the current and future market price of digital currencies; in addition, the Company may not be able to liquidate its inventory of digital currencies at its desired price if required. A decline in the market prices for digital currencies could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its digital currency sales.

Digital currencies have a limited history and the fair value historically has been very volatile. Historical performance of digital currencies is not indicative of their future price performance. Before liquidation, the Company's digital currencies consisted of Bitcoin and LBRY.

## 19. CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital and reserves.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged for the period ended February 28, 2021.

## 20. NON-CONTROLLING INTEREST

On September 20, 2019, the Company entered into a subscription agreement with a private investment entity ("the Entity") in which the Entity acquired 1,800,000 of Series A Preferred Shares of uBuck at \$0.50 per share for total proceeds of \$900,000. The Entity had the opportunity to make an aggregate investment for up to a maximum of 8,000,000 shares at \$0.50 per share until September 30, 2020. The Entity did not make any additional investment by this date.

### *Dividend entitlement*

The Entity will be entitled to receive dividends at the rate of the greater of \$0.03 per annum for each outstanding share, or the dividend payable per annum as would be payable for each share if they had been converted to Common Shares of uBuck. Dividends are non-cumulative and are declared and paid at the discretion of directors of the Company. The Entity will not retain any rights in the event that dividends on Series A Preferred shares are not declared or paid in any prior year.

### *Liquidation event*

In the event of any liquidation, dissolution or winding up of uBuck, holders of Series A Preferred shares shall be entitled to receive an amount equal to \$0.50 per Series A Common Share adjusted for any dividends, combinations, reclassifications or splits. Upon completion of the distribution required to the holders of Series A preferred shares, the remaining assets of the Company shall be distributed among the holders of Common Shares.

### *Conversion*

Each Series A Preferred Share shall be convertible, at the option of the holder and at any time after issuance, to a fully paid and non-accessible Common Share of uBuck at a conversion price of \$0.50 per Series A Preferred Share. Each Series A Preferred Share shall automatically be converted into Common Shares at the applicable conversion price immediately in the event of the earlier of the consummation of a Qualified Public Offering, or the date specified by written consent from the holders voting together.

The issued and outstanding Series A Preferred Shares are presented as non-controlling interest on the consolidated statements of financial position.

**20. NON-CONTROLLING INTEREST (continued)**

*Voting rights*

Each holder of Series A Preferred Shares will be entitled to the number of votes equal to the number of Common Shares of uBuck into which the Series A Preferred Shares may be converted. Each holder of Series A Preferred Shares will hold full voting rights equal to that of holders of Common Shares of uBuck.

The financial information of uBuck, the Company's only subsidiary that have material non-controlling interest is provided below. The Company holds 97% economic interest in uBuck and non-controlling stockholders have 3% interest.

<b>Summarized financial information</b>	<b>February 28, 2021</b>		<b>February 29, 2020</b>	
Cash and cash equivalents	\$	213,161	\$	615,275
Other current assets		34,803		61,360
Non-current assets		-		81,788
<b>Total assets</b>	<b>\$</b>	<b>247,964</b>	<b>\$</b>	<b>758,423</b>
Current liabilities	\$	(112,835)	\$	(157,035)
Non-current liabilities		(1,278,639)		(1,317,777)
<b>Total liabilities</b>	<b>\$</b>	<b>(1,391,474)</b>	<b>\$</b>	<b>(1,474,812)</b>
Revenue	\$	-	\$	3,500
Cost of sales		-		-
Operating expenses		(382,344)		(1,061,800)
Impairments		(42,416)		-
<b>Profit (Loss)</b>	<b>\$</b>	<b>(433,400)</b>	<b>\$</b>	<b>(1,058,300)</b>

**21. COMMITMENTS**

The Company via its subsidiary, uBuck entered into an agreement for use of office space for the period from July 1, 2019 to December 31, 2019 at \$40,000 per year, and January 1, 2020 to June 30, 2022 at \$44,000 per year. This lease is under the scope of IFRS 16 (Note 9 and 12).

**22. SUPPLEMENTAL NON-CASH DISCLOSURE**

The Company incurred the following non-cash expenditures:

	<b>February 28, 2021</b>		<b>February 29, 2020</b>	
Share-based compensation	\$	1,381,696	\$	448,568
Loss on revaluation of investments		-		316,793
Impairment of intangible assets		1,793,817		3,269,687

### 23. BREAKDOWN OF OPERATING AND OTHER INCOME (EXPENSES)

The Company's General and Administrative expenses for the year ended February 28, 2021 and February 29, 2020 are as follows:

General and Administrative expenses	Note	For the Year Ended	
		February 28, 2021	February 29, 2020
Consulting fees	15	\$ 339,492	\$ 1,364,296
Depreciation of equipment	10	37,417	27,950
Depreciation of right-of-use assets	9	148,721	134,666
General office expenses		119,820	364,486
Interest and accretion	13	2,800	-
Lease interest	12	30,288	40,259
Management fees, director fees, salaries and wages	15	375,350	1,887,217
Professional fees		258,173	198,528
Stock-based compensation	15, 16	1,381,696	448,568
Transfer agent and filing fees		42,779	27,080
Travel		-	91,251
<b>Total</b>		<b>\$ 2,736,536</b>	<b>\$ 4,584,301</b>

The Company's Selling expenses for the year ended February 28, 2021 and February 29, 2020 are as follows:

Selling expenses	Note	For the Year Ended	
		February 28, 2021	February 29, 2020
Marketing	18	\$ 405,280	\$ 1,391,631
<b>Total</b>		<b>\$ 405,280</b>	<b>\$ 1,391,631</b>

The Company's research and development expenses for the year ended February 28, 2021 and February 29, 2020 are as follows:

Research and development expenses	For the Year Ended	
	February 28, 2021	February 29, 2020
Research and development	\$ 15,548	\$ -
<b>Total</b>	<b>\$ 15,548</b>	<b>\$ -</b>

The Company's other income (expenses) for the year ended February 28, 2021 and February 29, 2020 are as follows:

Other income (expenses)	Note	For the Year Ended	
		February 28, 2021	February 29, 2020
Gain on revaluation of digital currencies	5	\$ -	\$ 33,836
Loss on sale of digital currencies	5	(30,793)	-
Loss on sale of equipment	10	-	(226)
Loss on revaluation of investments	7	(1,981)	(316,793)
Impairment of intangible assets	8	(1,793,817)	(3,269,687)
Impairment of right-of-use asset	9	(46,736)	-
Impairment of inventories		(4,320)	-
Interest income		-	33,705
Other income	12, 13	64,185	-
Write-off of building deposit	6	(27,293)	-
Gain on termination of lease <sup>(1)</sup>	9,12	16,007	-
Gain on settlement of debt	12	61,071	-
Foreign exchange gain (loss)		76,976	15,003
<b>Total</b>		<b>\$ (1,686,701)</b>	<b>\$ (3,504,162)</b>

**23. BREAKDOWN OF OPERATING AND OTHER INCOME (EXPENSES) – continued**

(1) The gain on termination of lease is broken down as follows:

<b>Gain on termination of lease</b>	<b>Building Lease - TechX</b>	<b>Vehicles - TechX</b>	<b>Total</b>
Lease liability before termination	\$ 24,910	\$ 107,648	\$ 132,559
ROU asset before termination	(18,550)	(98,002)	(116,552)
<b>Gain on termination of lease</b>	<b>\$ 6,360</b>	<b>\$ 9,646</b>	<b>\$ 16,007</b>

**24. INCOME TAXES**

The difference between tax expense for the periods and the expected income taxes based on the combined federal and provincial statutory tax rate of 27% arises as follows:

	<b>Year ended February 28, 2021</b>	<b>Year ended February 29, 2020</b>
Net loss before income taxes	\$ (4,840,842)	\$ (9,461,887)
Loss not subject to income taxes in Cayman Islands	433,400	1,058,300
Net loss subject to income tax	(4,407,442)	(8,403,587)
Income tax recovery based on substantively enacted rates	(1,190,000)	(2,269,000)
Permanent differences and others	254,000	125,000
Effect of changes in tax rates	(172,000)	-
Changes in tax benefits not recognized	1,108,000	2,144,000
<b>Income tax provision (recovery)</b>	<b>\$ -</b>	<b>\$ -</b>

Significant components of the company's deferred income tax assets (liabilities) are as follows:

	<b>February 28, 2021</b>	<b>February 29, 2020</b>
Non-capital losses carry forward	\$ 3,441,000	\$ 2,791,000
Equipment	501,000	467,000
Investments	167,000	191,000
Intangible assets	1,367,000	882,000
Share issuance costs	75,000	112,000
<b>Deferred tax asset - unrecognized</b>	<b>\$ 5,551,000</b>	<b>\$ 4,443,000</b>

The Company has available for deduction against future taxable income, Canadian non-capital losses of approximately \$11,446,000 which will begin to expire in 2040.

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## 25. SUBSEQUENT EVENTS

On March 8, 2021, the Company has granted an aggregate 300,000 incentive stock options (the "Options") to the officers of the Company. The Options are exercisable at CAD \$0.46 per share for a period of five years from the date of grant.

On April 13, 2021, the Company closed a non-brokered private placement financing for total gross proceeds of CAD \$10,000,000. The Company issued 20,000,000 units at a price of CAD \$0.50 per unit. Each unit is comprised of one common share and one-half of one transferable warrant. Each whole warrant will entitle the holder to purchase one additional common share for a period of 60 months at a price of CAD \$1.00 per share, subject to accelerated expiry.

On April 14, 2021, the Company has granted an aggregate 450,000 incentive stock options to directors and advisors. The Options are exercisable at CAD \$1.19 per share for a period of two years from the date of grant and subject to vesting over two years.

In April 2021 the Company signed an agreement to acquire 100% of the Cryptobuddy.ai predictive cryptocurrency trading signals platform, through its wholly-owned subsidiary, Bull Market Media Inc., in consideration of the issuance of 5,341,880 common shares of the Company. The common shares are subject to a hold period of four months and one day from issuance.

On April 13, 2021, the Company paid the remaining CA\$250,000 pursuant to the agreement to acquire a 19% stake in a CatalyX CTS Ltd mentioned in Note 7. On April 14, 2021, the Company issued 15,000,000 common shares pursuant to this agreement. The Shares shall be subject to a hold period of four months and one day from issuance. In conjunction with closing of the investment a finders' fee was paid to an arm's-length party of 750,000 common shares.

On May 5, 2021, the Company issued 5,252,100 common shares to acquire 100% ownership interest in X-Port Digital Limited.

On May 26, 2021, the Company granted an aggregate 6,050,000 incentive stock options (the "Options") to directors, officers and consultants of the Company. The Options are exercisable at CAD \$0.80 per share for a period of three years from the date of grant.

On May 27, 2021, the Company entered into a debt settlement transaction with an arm's length party wherein the Company settled an indebtedness of CAD \$105,000 by issuing 164,062 common shares of the Company (Note 11).

On June 16, 2021, the Company received a civil claim for unpaid portion of the note payable acquired in 2020 (Note 11) with a potential liability of \$69,685 (CA\$84,298). A settlement has been reached and the Company is finalizing an agreement for payment.

In June 2021, the Company has granted an aggregate 625,000 incentive stock options (the "Options") to officers and employees of the Company. The Options are exercisable at CAD \$0.71 per share for a period of five years from the date of grant and vesting over a four-year period.