MOBILUM TECHNOLOGIES INC.
(FORMERLY TECHX TECHNOLOGIES INC.)

Interim Condensed Consolidated Financial Statements

As at and for the Three Months Ended May 31, 2021 and 2020

(Unaudited - Expressed in U.S. Dollars)

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor, Manning Elliott LLP, has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim condensed consolidated financial statements by an entity's auditor.

July 28, 2021

MOBILUM TECHNOLOGIES INC.
(FORMERLY TECHX TECHNOLOGIES INC.)
Consolidated Statements of Financial Position
As at May 31, 2021 and February 28, 2021
(Expressed in U.S. Dollars)

	Note	Unaudited May 31, 2021	Audited February 28, 2021
ASSETS			
Current assets			
Cash		**$ 6,968,806**	$ 417,982
Accounts receivable	4	**9,208**	11,068
Sales tax receivable	4	**48,594**	102,051
Prepaid expenses and deposits	6	**192,807**	185,967
Due from related parties	15	**41,418**	44,484
Total current assets		**7,260,833**	761,552
Non-current assets			
Loan to an affiliate	15	**165,673**	-
Right-of-use asset	9	**63,681**	-
Equipment	10	**184,762**	-
Long-term deposits	7	**-**	195,975
Intangible assets	8	**9,408,231**	-
Investments	7	**15,945,991**	-
Total assets		**$ 33,029,171**	$ 957,527
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**$ 797,606**	$ 690,896
Notes payable and demand loans	11	**150,605**	360,215
Due to related parties	15	**25,107**	-
Current portion of lease liability	12	**32,552**	39,138
Total current liabilities		**1,005,870**	1,090,249
Long-term portion of lease liability	12	**31,980**	14,397
Loans payable	13	**38,304**	33,310
Total liabilities		**1,076,154**	1,137,956
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	16	**51,831,720**	19,995,798
Reserves	15,16	**8,310,536**	4,380,565
Accumulated other comprehensive losses		**503,689**	(367,659)
Deficit		**(29,580,466)**	(25,076,131)
Equity attributable to equity holders of the parent		**31,065,479**	(1,067,427)
Non-controlling interest	20	**887,538**	886,998
Total shareholders' equity (deficit)		**31,953,017**	(180,429)
Total liabilities and shareholders' equity (deficit)		**$ 33,029,171**	$ 957,527

Nature of operations and going concern (Note 1)
Commitments (Note 21)
Subsequent events (Note 24)

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

Approved On behalf of the Board of Directors, on July 28, 2021

"Aleem Nathwani"
Aleem Nathwani, Director

"Michael Devine"
Michael Devine, Director

MOBILUM TECHNOLOGIES INC.
(FORMERLY TECHX TECHNOLOGIES INC.)
Interim Condensed Consolidated Statements of Net and Comprehensive Loss
For the periods ended May 31, 2021 and 2020
(Unaudited – Expressed in U.S. dollars)

	Note		Period ended May 31, 2021		Period ended May 31, 2020
Sales	14	**$**	**366**	$	1,753
Cost of sales	14		**-**		(1,577)
Gross Profit			**366**	-	176
OPERATING EXPENSES					
General and administrative	23		**3,842,946**		636,157
Marketing expenses	23		**757,135**		125,185
Research and development	23		**-**		11,169
Total operating expenses			**(4,600,081)**		(772,511)
Total loss before other items			**(4,599,715)**		(772,335)
Other expenses	23		**95,920**		(23,087)
NET LOSS FOR THE YEAR			**(4,503,795)**		(795,422)
OTHER COMPREHENSIVE INCOME (LOSS)					
Cumulative translation adjustment			**871,348**		(159,145)
COMPREHENSIVE LOSS FOR THE YEAR		**$**	**(3,632,447)**	$	(954,567)
Allocation of Net Loss:					
Equity holders of the parent		**$**	**(4,504,335)**	$	(795,422)
Non-controlling interest of the subsidiary	20		**540**		-
NET LOSS		**$**	**(4,503,795)**	$	(795,422)
Allocation of Comprehensive Loss:					
Equity holders of the parent		**$**	**(3,632,987)**	$	(795,422)
Non-controlling interest of the subsidiary	20		**540**		-
TOTAL COMPREHENSIVE LOSS		**$**	**(3,632,447)**	$	(795,422)
LOSS PER SHARE, Basic and Diluted		**$**	**(0.04)**	$	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic and Diluted	16		**104,985,980**		174,207,491

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

(Unaudited - Expressed in U.S. Dollars)

	Period ended	
	May 31, 2021	**May 31, 2020**
Cash Provided By (Used In)		
Operating Activities		
Net loss for the period	**$ (4,503,795)**	$ (795,422)
Items not affecting cash:		
Depreciation of property and equipment	**-**	6,954
Accretion	**(25,516)**	-
Foreign exchange (gain) loss	**-**	-
Share-based compensation	**3,604,627**	165,164
Interest accretion	**-**	9,546
Lease interest	**2,247**	-
Depreciation of right-of-use assets	**5,789**	36,588
Deferred tax recovery	**-**	-
Other income	**(13,481)**	-
Gain on revaluation of digital currencies	**-**	(3,391)
Gain on termination of lease	**(50,887)**	-
Changes in non-cash working capital:		
Sales tax receivable		
Accounts receivable	**55,317**	3,674
Due from related party	**3,066**	-
Due to related parties		
Digital currencies	**-**	64,607
Prepaid expenses and deposits	**(6,840)**	(8,880)
Accounts payable and accrued liabilities	**107,106**	235,214
Accounts payable to related parties	**(6,586)**	-
Due to related parties	**25,107**	-
Net cash used in operating activities	**(803,846)**	(285,946)
Investing Activities		
Loan to an affiliate	**(165,673)**	-
Acquisition of investments	**(218,207)**	-
Acquisition of property and equipment	**(184,762)**	-
Net cash used in investing activities	**(568,642)**	-
Financing Activities		
Principal portion of lease payments repayment	**(3,643)**	(48,597)
Proceeds from the issuance of common shares	**7,873,938**	-
CEBA loan proceeds	**43,991**	-
Proceeds from note payable	**(132,261)**	191,663
Proceeds from long-term debt advance	**-**	28,447
Repayment of interest on notes payable	**(77,349)**	-
Net cash provided by financing activities	**7,704,676**	171,513
Increase (decrease) in cash	**6,332,188**	(114,433)
Effect of foreign exchange rate changes on cash	**218,636**	-
Cash, beginning of the period	**417,982**	693,705
Cash, end of the period	**$ 6,968,806**	$ 579,272

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

(Unaudited – Expressed in U.S. Dollars)

	Share capital (Note 18)						
	Shares issued[1]	Amount	Reserves	Accumulated other comprehensive loss	Non-controlling interest	Deficit	Total
Balance, March 1, 2020	**172,407,491**	**$ 17,203,519**	**$ 2,998,869**	**$ (138,162)**	**$ 900,000**	**$ (20,248,291)**	**$ 715,935**
Comprehensive loss for the year	-	-	-	159,145	-	(954,567)	(795,422)
Stock-based compensation	-	-	165,164	-	-	-	165,164
Balance, May 31, 2020	172,407,491	17,203,519	3,164,033	20,983	900,000	(21,202,858)	$ 85,677
Balance, March 1, 2021	**83,218,711**	**$ 19,995,798**	**$ 4,380,565**	**$ (367,659)**	**$ 886,998**	**$ (25,076,131)**	**$ (180,429)**
Comprehensive loss for the year	-	-	-	871,348	540	(4,504,335)	(3,632,447)
Private placements	20,000,000	7,997,242	-	-	-	-	7,997,242
Cash Finders' fees	-	(123,304)	-	-	-	-	(123,304)
Shares issued for purchase of investments	25,593,980	25,035,532	-	-	-	-	25,035,532
Shares issued to finders	750,000	(748,204)	-	-	-	-	(748,204)
Stock-based compensation	-	-	3,604,627	-	-	-	3,604,627
Fair value of agent warrants granted	-	(325,344)	325,344			-	-
Balance, May 31, 2021	**129,562,691**	**$ 51,831,720**	**$ 8,310,536**	**$ 503,689**	**$ 887,538**	**$ (29,580,466)**	**$ 31,953,017**

[1]Adjusted for 2.5:1 share consolidation on February 4, 2021

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Mobilum Technologies Inc. (formerly TechX 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 MBLM (formerly TECX). On July 21, 2021, the Company changed its name from "TechX Technologies Inc." to "Mobilum Technologies Inc." to reflect the adoption of the umbrella brand "Mobilum". The CSE symbol changed from "TECX" to "MBLM". 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 contracttechnology, and digital remittances. Starting in 2020, the Company extended its investments and products portfolio through various acquisitions. The Company's product portfolio now include a digital wallet and payments platform, a digital asset exchange platform and a trading signals platform – all catering to the cryptocurrency business which is the Company's current principal focus. During the three months ended May 31, 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 three months ended May 31, 2021 of $3,632,447 (May 31, 2020 – $795,422). As at May 31, 2021, the Company had a working capital of $6,254,963 (February 28, 2021 – deficiency of $328,697) and an accumulated deficit of $29,580,466 (February 28, 2021 – $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 receiptof 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 interim condensed consolidated financial statements have been prepared by management of the Company in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", following the same accounting principles and methods of computation as outlined in the Company's consolidated financial statements for the years ended February 28, 2021 and February 29, 2020. A description of accounting standards and interpretations that have been adopted by the Company can be found in the notes of the audited consolidated financial statements for the years ended February 28, 2021 and February 29, 2020. These consolidated financial statements include all necessary disclosures required for consolidated financial statements but do not include all disclosures required for annual financial statements.

2. BASIS OF PRESENTATION (continued)

Therefore, these consolidated financial statements should be read in conjunction with the most recent audited annual financial statements and the notes thereto for the period ended February 28, 2021 and February 29, 2020. These consolidated financial statements were approved and authorized for issue by the directors of the Company on July 28, 2021.

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 Mobilum Technologies Inc. ("parent") (formerly TechX Technologies Inc.), TechX Labs Inc. (formerly LiteLink Labs Inc.) and Bull Market Media 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:

Entity	Place of incorporation	Economic Interest	Status
Mobilum Technologies Inc. ("MBLM")	British Columbia, Canada	Parent	Active
AXS Innovations Inc. ("AXS")	British Columbia, Canada	100%	Active
TechX Labs Inc. ("Labs")	British Columbia, Canada	100%	Active
Bull Market Media Inc. ("BMM")	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.

<u>Critical Judgments</u>

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.

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.

<u>Key sources of estimation uncertainty</u>

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.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

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, cost 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 orloss.

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 effect 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 May 31, 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	3 years 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 May 31, 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).

(Unaudited – Expressed in U.S. Dollars)

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 three months ended May 31, 2021, the Company had no revenues from the sale of prepaid debit cards (year ended May 31, 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

		May 31, 2021		February 28, 2021
Accounts receivable	**$**	**9,208**	$	14,568
Allowance for doubtful accounts		**-**		(3,500)
	$	**9,208**	$	11,068

Accounts receivable – net of allowance as at May 31, 2021 consists of trade receivables amounting to $9,208 (February 28, 2021 – $11,068). The Company's sales taxes receivable of $48,594 (February 28, 2021 – $102,051) 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.

(Unaudited – Expressed in U.S. Dollars)

5. DIGITAL CURRENCIES

As at May 31, 2021 and February 28, 2021, 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.

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

	BTC Units	Bitcoin ($)	LBRY Units	LBRY ($)	Total
Carrying value at February 29, 2020	7.51	$ 64,607	154,886	$ 1,981	$ 66,588
Gain (loss) on revaluation	-	-	-	(1,981)	(1,981)
Sales	(7.51)	(33,815)	-	-	(33,815)
Gain (loss) on sale	-	(30,792)	-	-	(30,792)
Fair value at February 28, 2021 and May 31, 2021	**-**	**$ -**	**154,886**	**$ -**	**$ -**

6. PREPAID EXPENSES AND DEPOSITS

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

	May 31, 2021	February 28, 2021
Prepaid expenses	**$ 165,270**	$ 166,897
Consulting fees	**4,142**	-
Deposit for an asset acquisition	**2,037**	-
Customer deposits	**18,369**	16,226
Others	**2,989**	2,844
	$ 192,807	$ 185,967

Prepaid expenses mostly pertain to business development expenses incurred subsequent to May 31, 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

During the year ended February 28, 2021, deposits of $207,091 (CA$250,000) was made towards the investment in CatalX CTS Ltd. (or "CatalX"), a cryptocurrency exchange company. On April 13, 2021, the Company paid the remaining $207,091 (CA$250,000) pursuant to the agreement to acquire a 19% stake in a CatalX. On April 14, 2021, the Company issued 15,000,000 common shares at CA$1.25 per share pursuant to the agreement or total of $15,531,809 (CA$18,750,000). 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. The total value of the investment of US$15,945,991 (CA$ 19,250,000)is reported as investment at fair value through other comprehensive income in the statement of financial position as at May 31, 2021 (February 28, 2021 - $Nil).

(Unaudited – Expressed in U.S. Dollars)

8. INTANGIBLE ASSETS

Intangible assets are comprised of the following:

	IoT	Trading Platform	Digital Payment Platform	**Intangible Assets**
Balance, February 29, 2020	$ -	$ -	$ -	$ -
Additions	1,793,817	-	-	1,793,817
Impairment of intangible assets	(1,793,817)	-	-	(1,793,817)
Balance, February 29, 2021	-	-	-	-
Additions	-	5,101,091	4,222,151	9,323,242
Currency translation adjustment	-	-	84,989	84,989
Balance, May 31, 2021	**$ -**	**$ 5,101,091**	**$ 4,307,140**	**$ 9,408,231**

Digital Payment Platform

On June 29, 2021, the company finalized the acquisition of 100% ownership interest of XPort Digital Limited (or "XPort") and transferred 5,252,100 common shares to XPort shareholders as consideration (Note 24). For the purposes of IFRS 3, XPort did not meet the definition of a business and therefore, the transaction was deemed as an asset acquisition. The identifiable asset acquired is mainly the digital payment platform technology from XPort which is basically an application which helps users access cryptocurrency and pay using multiple fiat payment methods which include credit cards and bank wires. It also offers a business-to-business payment gateway that allows merchants to easily process fiat payments for cryptocurrency transfers mostly amongst crypto exchanges, crypto e-commerce platforms and other decentralized applications.

Upon evaluation, the Company determined that the fair value of the shares issued was a more reliable measurement for the intangibles therefore the technology acquired was valued using such under IFRS 2, *Share-based payment*. Shares were issued on May 5, 2021 at CA$0.99 for a total of US$4,222,151(CA$5,119,579). Hence, the Company recognized an intangible asset for the same amount.

Trading Signals Platform

During the period ended May 31, 2021, 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 (issued on April 28, 2021 at CA$1.18 per share or total of CA$6,303,418 or US$5,101,091). The common shares are subject to a hold period of four months and one day from issuance. Key features of these proprietary technology include predictive analytics, data analysis, forecasts, user-friendly interface and variety of cryptocurrencies monitored.

Internet of Things (IoT)

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).

(Unaudited – Expressed in U.S. Dollars)

9. RIGHT-OF-USE ASSETS

	Building Lease - TechX	Building Lease - uBuck	Vehicle Lease 1 - Tech X	Vehicle Lease 2 - Tech X	Total
Cost:					
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)
At February 28, 2021	$ -	$ -	$ -	$ -	$ -
Additions	-	69,471	-	-	69,471
At May 31, 2021	**$ -**	**$ 69,471**	**$ -**	**$ -**	**$ 69,471**
Accumulated depreciation:					
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
At February 28, 2021	$ -	$ -	$ -	$ -	$ -
Depreciation	-	(5,790)			(5,790)
At May 31, 2021	**$ -**	**$ (5,790)**	**$ -**	**$ -**	**$ (5,790)**
Net book value:					
At February 29, 2021	$ -	$ -	$ -	$ -	$ -
At May 31, 2021	**$ -**	**$ 63,681**	**$ -**	**$ -**	**$ 63,681**

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 three months ended February 28, 2021 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 three months ended February 28, 2021 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).

(Unaudited – Expressed in U.S. Dollars)

9. RIGHT-OF-USE ASSETS (continued)

George Town, Cayman Islands office

On March 30, 2021, uBuck entered into a new lease agreement with the same company to lease a smaller office. The lease commenced on April 1, 2021 with a term of one year, renewable for another year. The right-of-use asset amounting to $69,471 was estimated based on a monthly fee of $3,281 per month for the first 12 months and $3,380 per month for the second year discounted using the Company's incremental borrowing rate of 15%. This right-of-use asset will be depreciated on a straight-line basis over the lease term.

Vehicles

During the three months ended May 31, 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. Theright-of-use assets are depreciated on a straight-line basis over this lease term. The total monthly lease payments are $1,561and there is an option to buy the trucks at $83,626 at the end of the lease.

During the three months ended May 31, 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 as at May 31, 2021 and February 28, 2021:

	Computer Equipment	Digital Currency Computing Equipment	Software	Furniture and Office Equipment	Leasehold Improvements	Total
Cost:						
At February 29, 2020	$ 52,892	$ 1,338,438	$ 352,609	$ 5,782	$ 11,667	$ 1,761,388
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At February 28, 2021	$ 52,892	$ 1,338,438	$ 352,609	$ 5,782	$ 11,667	$ 1,761,388
Additions	1,206	-	180,000	-	-	181,206
Cumulative translation adjustment	1	-	8,555	-	-	8,556
At May 31, 2021	**$ 54,099**	**$ 1,338,438**	**$ 541,164**	**$ 5,782**	**$ 11,667**	**$ 1,951,150**
Depreciation:						
At February 28, 2020	$ (29,352)	$ (1,338,438)	$ (352,609)	$ (3,572)	$ -	$ (1,723,971)
Depreciation	(23,540)	-		(2,210)	(11,667)	(37,417)
At February 28, 2021	$ (52,892)	$ (1,338,438)	$ (352,609)	$ (5,782)	$ (11,667)	$ (1,761,388)
Depreciation	-	-	(5,000)	-	-	(5,000)
At May 31, 2021	**$ (52,892)**	**$ (1,338,438)**	**$ (357,609)**	**$ (5,782)**	**$ (11,667)**	**$(1,766,388)**
Net book value:						
At February 29, 2021	$ -	$ -	$ -	$ -	$ -	$ -
At May 31, 2021	**$ 1,207**	**$ -**	**$ 183,555**	**$ -**	**$ -**	**$ 184,762**

During the period ended May 31, 2021, the Company paid $180,000 in software licenses for use in its operations (February 28, 2021 – $Nil).

(Unaudited – Expressed in U.S. Dollars)

11. NOTE PAYABLE AND DEMAND LOANS

As at May 31, 2021 and February 28, 2021, the Company's notes payable and demand loans have the following movements:

		Loan 1		Loan 2		TOTAL
Principal	$	191,663	$	78,833	$	270,496
Additions		75,325		-		75,325
Interest		91,742		-		91,742
Repayment		(77,349)		-		(77,349)
Balance, February 28, 2021	$	281,382	$	78,833	$	360,215
Interest		28,812		-		28,812
Repayment		(242,547)		-		(242,547)
Currency translation adjustment		-		4,126		4,126
Balance, May 31, 2021	**$**	**67,646**	**$**	**82,959**	**$**	**150,605**

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.

Originally classified as a note payable, May 31, 2021 was past the maturity date of this loan, therefore it is classified as a demand loan as at May 31, 2021. During the year ended February 28, 2021, the Company made interest payments totalling $77,349. During the period ended May 31, 2021, the Company accrued $28,812 in interest and repaid a total of $242,547. On May 31, 2021, the total balance of this loan was $67,646 (February 28, 2021 – $281,382). Subsequent to period end, the loan was settled (Note 24).

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 May 31, 2021 the principal balance remains unchanged. Subsequent to period end, this loan was settled through issuance of common shares (Note 24).

(Unaudited – Expressed in U.S. Dollars)

12. LEASE LIABILITIES

The following tables show the continuity for lease obligations as at May 31, 2021 and February 28, 2021:

	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)
Settlement	(24,910)	-	-	-	(24,910)
Transferred to related party	-	-	(51,124)	(51,845)	(102,969)
Balance, February 28, 2021	$ -	$ 53,535	$ -	$ -	$ 53,535
Additions	-	69,471	-	-	69,471
Accretion of lease liabilities	-	2,247	-	-	2,247
Lease payments	-	(10,229)	-	-	(10,229)
Settlement	-	(50,492)	-	-	(50,492)
Balance, May 31, 2021	**$ -**	**$ 64,532**	**$ -**	**$ -**	**$ 64,532**
Less: Current portion of lease liability	**$ -**	**$ 32,552**	**$ -**	**$ -**	**$ 32,552**
Long-term portion of lease liability	**$ -**	**$ 31,980**	**$ -**	**$ -**	**$ 31,980**

The following table shows the contractual undiscounted cashflow for lease obligations as at May 31, 2021:

	May 31, 2021	February 28, 2021
For the year ended February 28, 2022	**$ 39,572**	$ 44,000
For the year ended February 28, 2023	**33,797**	14,667
Total undiscounted lease obligation	**$ 73,369**	$ 58,667

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).

On March 30, 2021, uBuck entered into a new lease agreement with the same lessor to lease a smaller office. The old lease was in effect terminated and a new lease commenced on April 1, 2021 with a term of one year, renewable for another year. The new lease liability amounting to $69,471 was estimated based on a monthly fee of $3,281 per month for the first 12 months and $3,380 per month for the second year discounted using the Company's incremental borrowing rate of 15%. This lease liability is amortized using the effective interest method. As at May 31, 2021, the Company's lease liability amounted to $64,532 (February 28, 2021 - $55,535). Lease interest recognized in the statement of net loss and comprehensive loss amounted to $2,247 (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 December31, 2022. The Company received the $20,000 CAD expansion to the CEBA loan in error as it is not considereda CCPC (Canadian Controlled Private Corporation). The $20,000 CAD expansion to CEBA was subsequently repaid.

As at May 31, 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 paidmonthly 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 three months ended May 31, 2021, total accretion expense recognized for the CEBA loans amounted to $1,282 (2020 – $481) (Note 23).

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).

(Unaudited – Expressed in U.S. Dollars)

14. SEGMENT REPORTING

The Company generated revenues from its software development segment during the three months ended May 31, 2021: During the three months ended February 28, 2021, the Company generated revenues from its software development"segment.

The Company, through Labs, 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 three months ended May 31, 2021 the Company's sole operation is providing subscription software.

For the three months ended May 31, 2021:

	Software subscription	Software Development	Total
Revenue	$ 366	$ -	$ 366
Cost of sales	-	-	-
	$ 366	$ -	$ 366

For the three months ended May 31, 2020:

	Software subscription	Software Development	Total
Revenue	$ -	$ 1,753	$ 1,753
Cost of sales	-	(1,577)	(1,577)
	$ -	$ 176	$ 176

(Unaudited – Expressed in U.S. Dollars)

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, management of the Company and its subsidiaries.

In prior period, as at February 28, 2021, due from former CEO amounted to $44,484. As at May 31, 2021, amount disclosed as due from the current CEO is $41,418, which represents a prepayment for a marketing campaign handled by a third party.

On May 25, 2021, the Company signed a loan agreement with an affiliate which was acquired subsequent to period end. The Company will loan a total of CA$4,000,000 for working capital needs of the affiliate. During the period ended May 31, 2021, the Company loaned a total of $165,673 or CA$200,000 (2020 – $Nil) (Note 24).

As at May 31, 2021 and February 28, 2021, the Company has the following due to its related parties:

Related party	May 31, 2021	February 28, 2021
CFO	**$ 4,528**	$ -
Corporate Secretary	**5,680**	-
President and CEO of uBUCK	**14,899**	-
	$ 25,107	$ -

During the periods ended May 31, 2021 and 2020, key management compensation consisted of the following:

Compensation	May 31, 2021	May 31, 2020
Consulting fees	**$ 8,379**	$ -
Management fees, director fees, salaries and wages	**16,493**	15,791
Accounting fees	**7,716**	-
Share-based compensation	**3,001,945**	99,990
	$ 3,034,533	$ 115,781

Management fees, director fees, accounting and salaries and wages consisted of the following for the years ended May 31, 2021 and February 28, 2021:

Related party	Compensation	May 31, 2021	May 31, 2020
Director and Former CEO	Salary and directors' fees	**$ -**	$ 14,718
CFO	Management and accounting fees	**24,209**	-
Former President and CEO of uBUCK	Salary	**-**	30,000
Corporate Secretary	Consulting fees and administrative fees	**8,379**	-
Former Director	Directors' fees	**-**	716
Former Director	Directors' fees	**-**	357
		$ 32,588	$ 45,791

Share-based compensation for the periods ended May 31, 2021 and 2020 consisted of thefollowing:

Related party	May 31, 2021	May 31, 2020
CEO	**$ 964,824**	$ -
Former director and Former CEO	**-**	63,400
CFO	**140,483**	-
Corporate Secretary	**140,483**	-
President and CEO of uBUCK	**11,976**	36,590
Directors	**1,744,179**	-
	$ 3,001,945	$ 99,990

16. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Share capital

Share issuances for period ended May 31, 2021

On April 13, 2021, the Company closed a non-brokered private placement financing for total gross proceeds of $7,997,242 (CA$10,000,000). The Company issued 20,000,000 units at a price of CA$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 15, the Company issued 15,000,000 shares for the acquisition of 19% ownership interest in CatalX Exchange Inc. (Note 7). The Company also issued 750,000 shares to finders in connection with the transaction.

On April 28, 2021, the Company issued 5,341,880 shares for the acquisition of an intangible asset (Note 8).

On May 4, 2021, the Company issued 5,252,100 shares for the acquisition of XPort Digital Limited (Note 8).

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 May 31, 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.

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.

(Unaudited – Expressed in U.S. Dollars)

16. SHARE CAPITAL (continued)

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 CA$0.175 per share for a period of three years from the date of grant. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.19, volatility 178%, risk-free rate 0.28%, dividend yield 0%, and expected life of 3 years. With these assumptions, the fair value of options was determined to be $770,408 (CA$981,782), which will be expensed over the vesting period.

On March 8, 2021, the Company has granted an aggregate 300,000 incentive stock options (the "Options") to the officersof the Company. The Options are exercisable at CA$0.46 per share for a period of five years from the date of grant. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.46, volatility 197%, risk-free rate 0.92%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $110,707 (CA$134,243).

On April 14, 2021, the Company has granted an aggregate 450,000 incentive stock options to directors and advisors. The Options are exercisable at CA$1.19 per share for a period of two years from the date of grant and subject to vesting over two years. The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of $1.25, volatility 201%, risk-free rate 0.49%, dividend yield 0%, and expected life of 3 years. With these assumptions, the fair value of options was determined to be $427,028 (CA$517,814), which will be expensed over the vesting period.

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 CA$0.80 per share for a period of three years from the date of grant.The fair value was estimated using the Black-Scholes pricing model with estimated, stock price of CA$0.75, volatility 202%, risk-free rate 0.49%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $3,433,765 (CA$4,163,783).

A summary of the stock option transactions for the periods ended May 31, 2021 and February 28, 2021 is as follows:

	Number of Options		Weighted Average Exercise Price
Balance, February 29, 2020	6,548,000	$	0.875
Granted	5,940,000		0.175
Forfeited	(5,748,000)		0.875
Balance, February 28, 2021	**6,740,000**	**$**	**0.258**
Granted	6,800,000		0.811
Balance, May 31, 2021	**13,540,000**	**$**	**0.536**

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 three months ended May 31, 2021, the Company recognized share-based compensation expense of $3,604,628 (2020 – $165,164) 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:

	May 31, 2021	February 28, 2021
Risk-free interest rate	0.49-0.92%	0.21%
Expected option life in years	4.87	2.88
Expected stock price volatility	201.67%	167.98%
Expected dividend rate	0%	0%
Fair value per option (CAD)	$0.71	$0.18
Stock price at grant date (CAD)	$0.76	$1.19

(Unaudited – Expressed in U.S. Dollars)

16. SHARE CAPITAL (continued)

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.

As at May 31, 2021, the Company had options outstanding, enabling the holders to acquire the followingnumber 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	0.06	$ 0.026
November 9, 2023	0.875	200,000	166,667	0.04	0.013
January 14, 2024	0.175	5,940,000	5,940,000	1.15	0.077
April 14, 2024	1.190	450,000	56,250	0.10	0.040
June 1, 2024	0.875	200,000	100,000	0.04	0.013
March 8, 2026	0.460	300,000	300,000	0.11	0.010
May 26, 2026	0.800	6,050,000	6,050,000	2.23	0.357
		13,540,000	**13,012,917**	**3.73**	**$ 0.536**

Warrants

A summary of the warrant transactions for the periods ended May 31, 2021 and February 28, 2021 is as follows:

	Number of warrants	Weighted average exercise price
Balance outstanding, February 28, 2020	14,952,375	$ 0.13
Exercised	(1,608,250)	0.13
Expired	(13,344,125)	0.13
Balance outstanding, February 28, 2021	**-**	**$ -**
Granted	10,351,000	1.00
Balance outstanding, May 31, 2021	**10,351,000**	**$ 1.00**

During the period ended May 31, 2021, 10,000,000 warrants were granted pursuant to the private placement. 351,000 finder's warrants valued at $325,344 was also issued in connection with the transaction. The fair value of warrants granted is estimated on the grant date using the Black-Scholes option pricing model using the following variables:

	May 31, 2021	February 28, 2021
Risk-free interest rate	0.94%	-
Expected option life in years	5.00	-
Expected stock price volatility	200.81%	-
Expected dividend rate	0%	-
Fair value per warrant (CAD)	$1.16	-
Stock price at grant date (CAD)	$1.19	-

As at May 31, 2021, the Company had the following warrants outstanding, enabling the holders to acquire the following number of common shares:

Expiry Date	Exercise Price	Numbers of warrants outstanding	Numbers of warrants exercisable	Weighted average remaining contractual life (year)	Weighted average exercise price
April 13, 2026	$ 1.000	10,351,000	10,351,000	4.87	$ 1.000
		10,351,000	**10,351,000**	**4.87**	**$ 1.000**

(Unaudited – Expressed in U.S. Dollars)

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.

a. Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
b. 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.
c. Level 3 fair value measurements are those derived from valuation techniques that includeinputs 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:

May 31, 2021	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Financial Instruments measured at FVTPL				
Cash	**6,968,806**	**-**	**-**	**6,968,806**
Investments	**15,945,991**	**-**	**-**	**15,945,991**
Lease liability	**-**	**64,532**	**-**	**64,532**
Loan payable	**-**	**38,304**		**38,304**
Total Financial Instruments measured at FVTPL	**22,914,797**	**102,836**	**-**	**23,017,633**

February 28, 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial Instruments measured at FVTPL				
Cash	417,982	-	-	417,982
Lease liability	-	53,535	-	53,535
Loan payable	-	33,310	-	33,310
Total Financial Instruments measured at FVTPL	417,982	86,845	-	504,827

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 May 31, 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 May 31, 2021 is $1,018,071. The impact of a 10% variance in the USD/CAD exchange rate would be approximately $101,807.

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 May 31, 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.

(Unaudited – Expressed in U.S. Dollars)

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.

Summarized financial information		**May 31, 2021**	**February 28, 2021**
Cash and cash equivalents	**$**	**186,610**	$ 213,161
Other current assets		**26,499**	34,803
Non-current assets		**-**	-
Total assets	**$**	**213,109**	$ 247,964
Current liabilities	**$**	**(106,087)**	$ (112,835)
Non-current liabilities		**(1,296,222)**	(1,278,639)
Total liabilities	**$**	**(1,402,309)**	$ (1,391,474)

Summarized financial information		**May 31, 2021**	**May 31, 2020**
Revenue	**$**	**-**	$ -
Cost of sales		**-**	-
Operating expenses		**(37,208)**	(382,344)
Impairments		**-**	(42,416)
Other income		**55,201**	-
Profit (Loss)	**$**	**17,993**	$ (424,760)

21. COMMITMENTS

The Company via its subsidiary, uBuck entered into an agreement for use of office space for the period from April 1, 2021 to March 31, 2022 at $39,375 per year subject to a 3% escalation per year. This lease is under the scope of IFRS 16 (Notes 9 and 12).

22. SUPPLEMENTAL NON-CASH DISCLOSURE

The Company incurred the following non-cash expenditures:

		May 31, 2021		May 31, 2020
Share-based compensation	**$**	**3,604,627**	$	165,164
Shares issued for purchase of investments		**25,035,532**		-
Fair value of agent warrants granted		**325,344**		-

(Unaudited – Expressed in U.S. Dollars)

23. BREAKDOWN OF OPERATING AND OTHER INCOME (EXPENSES)

The Company's General and Administrative expenses for the period ended May 31, 2021 and 2020 are as follows:

		For the period ended	
General and Administrative expenses	**Note**	**May 31, 2021**	May 31, 2020
Consulting fees	15	**$ 80,201**	$ 131,009
Depreciation of equipment	10	**-**	6,954
Depreciation of right-of-use assets	9	**5,789**	36,588
General office expenses		**28,523**	51,639
Interest and accretion	13		9,546
Lease interest	12	**2,247**	-
Management fees, director fees, salaries and wages	15	**30,354**	196,997
Professional fees		**69,328**	33,643
Stock-based compensation	15, 16	**3,604,628**	165,164
Transfer agent and filing fees	16	**21,876**	4,617
Total		**$ 3,842,946**	$ 636,157

The Company's Selling expenses for the three months ended May 31, 2021 and 2020 are as follows:

	For the period ended	
Marketing expenses	**May 31, 2021**	May 31, 2020
Marketing	**$ 757,135**	$ 125,185
Total	**$ 757,135**	$ 125,185

The Company's research and development expenses for the period ended May 31, 2021 and 2020 are as follows:

	For the period ended	
Research and development expenses	**May 31, 2021**	May 31, 2020
Research and development	**$ -**	$ 11,169
Total	**$ -**	$ 11,169

The Company's other income (expenses) for the period ended May 31, 2021 and 2020 are as follows:

		For the period ended	
Other income (expenses)	**Note**	**May 31, 2021**	**May 31, 2020**
Gain on revaluation of digital currencies	5	**$ -**	$ 3,391
Loss on sale of digital currencies	5	**-**	(30,793)
Other income	12, 13	**4,709**	-
Gain on termination of lease	9,12	**50,492**	-
Foreign exchange gain (loss)		**40,719**	4,315
Total		**$ 95,920**	$ (23,087)

24. SUBSEQUENT EVENTS

On June 1, 2021, the Company issued 164,062 shares for the settlement of debt (Note 11).

On June 16, 2021, the Company received a civil claim for unpaid portion of the note payable acquired in 2020 (Note 11). A settlement has been reached and the Company settled the loan on June 19, 2021, through payment of CAD $73,479.

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.

On June 29, 2021, the company finalized the acquisition of 100% ownership interest of XPort and transferred 5,252,100 common shares to XPort shareholders as consideration.

On July 15, 2021, the Company completed the acquisition of Mobilum OÜ ("Mobilum"), further to the indefinite agreement dated May 26, 2021. The company has acquired a 100% ownership in Mobilum in consideration of 26,666,667 common shares in the capital of the Company at a deemed value of $0.60 per Share.

On July 26, 2021, the Company received a notice of civil claim. The potential liability for the Company is $9,821 (CA$12,375). As at the date of this report, the outcome of the case is still unknown.