GLOBALIVE
TECHNOLOGY

Globalive Technology Inc.

Consolidated Financial Statements

For the year ended December 31, 2019 and ten-month period ended December 31, 2018

(Expressed in Canadian Dollars)

MANAGEMENT’S REPORT TO SHAREHOLDERS

The accompanying financial statements of Globalive Technology Inc. (the “**Company**”, or “**GT**”) and other information contained in the management’s discussion and analysis are the responsibility of management and have been approved by the Board of Directors. The financial statements have been prepared by management in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) as outlined in Part 1 of the Handbook of the Chartered Professional Accountants of Canada and include some amounts that are based on management’s estimates and judgment.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee, which has a majority of independent directors. The Audit Committee reviews the Company’s annual financial statements and recommends its approval to the Board of Directors. The Company’s auditors have had full access to the Audit Committee, with and without management being present. These financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants.

“Signed”

"Anthony Lacavera"
Director

“Signed”

"Kingsley Ward"
Director

Consolidated Statements of Financial Position

As at	Notes	December 31, 2019	December 31, 2018
Assets			
Current assets			
Cash		$ 8,860,276	$ 13,436,845
Other receivables		18,035	524,573
Prepaid expenses		39,003	607,912
Receivables from related parties		-	23,232
Investments	**6**	10,986,585	14,578,112
Total current assets		19,903,899	29,170,674
Non-current assets			
Fixed assets (net of depreciation)	**17**	4,471	192,583
Long term investments	**6**	4,297,181	8,947,754
Total assets		**24,205,551**	**38,311,011**
Liabilities			
Current liabilities			
Accounts payables and accrued liabilities		152,807	1,046,334
Total current liabilities		152,807	1,046,334
Shareholders' equity			
Share capital	**10**	53,637,737	52,602,413
Share-based payment reserve	**11, 12**	1,611,080	1,640,152
Retained earnings (deficit)		(31,196,073)	(16,931,476)
Total shareholders' equity		24,052,744	37,311,089
Non-controlling interest		-	(46,412)
		24,052,744	37,264,677
		24,205,551	**38,311,011**

Approved on behalf of the Board of Directors

(SIGNED) *"Anthony Lacavera"* (SIGNED) *"Kingsley Ward"*

Anthony Lacavera Kingsley Ward

Director **Director**

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

Consolidated Statements of Net and Comprehensive Income (Loss)

For the	Notes	year ended December 31, 2019	ten month period ended December 31, 2018
Other income	**20**	264,390	777,819
Equity pickup from investments in associates		-	(116,975)
Other losses	**19**	(458,656)	(2,398,155)
Realized / unrealized gain (loss) from investments held at fair value through profit or loss	**6**	(8,690,745)	(10,598,541)
		(8,885,011)	(12,335,852)
Expenses			
Listing fees		-	602,423
Marketing and public relations		138,908	1,712,814
Employee share based compensation	**11, 12**	962,079	1,640,152
Office, general and administrative		495,848	624,725
Salary and wages	**5b**	2,768,121	2,758,895
Professional fees		831,128	3,335,419
Cost of sales	**5**	-	-
Depreciation of property and equipment	**17**	12,588	20,257
Other expenses		-	300,000
Total expenses		5,208,672	10,994,685
Net income (loss) before taxes for the period		(14,093,683)	(23,330,537)
Deferred tax recovery (expense)	**14**	-	912,778
Net income (loss) from continuing operations for the period		(14,093,683)	(22,417,759)
Net income (loss) from discontinued operation (attributable to equity holders of the company)	**5**	(485,245)	(1,280,193)
Net income (loss) and comprehensive income (loss) for the period		(14,578,928)	(23,697,952)
Net income (loss) and comprehensive income (loss) for the period attributable to:			
Globalive Technology Inc. shareholders		(14,448,574)	(22,450,560)
Non-controlling interests		(130,354)	(1,247,392)
Net income (loss) and comprehensive income (loss) for the period		(14,578,928)	(23,697,952)
Earnings (loss) per share from continuing operations for the period			
Basic	**15**	**$ (0.101)**	**$ (0.183)**
Diluted	**15**	**$ (0.101)**	**$ (0.183)**
Earnings (loss) per share			
Basic	**15**	**$ (0.105)**	**$ (0.195)**
Diluted	**15**	**$ (0.105)**	**$ (0.195)**

The accompanying notes are an integral part of these financial statements

Consolidated Statements of Changes in Equity

For the year ended December 31, 2019 and the ten month period ended December 31, 2018

	Notes	Share capital		Share-based payment reserve	Retained earnings (deficit)	Total shareholders' equity	Non-controlling interests
		Number	Amount				
Outstanding as at March 1, 2018		65,040,020	5,052,001	-	5,519,084	10,571,085	-
Issue of restricted shares	10	71,496,192	49,641,842	-	-	49,641,842	1,200,980
Share issue costs		-	(2,091,430)	-	-	(2,091,430)	-
Share based compensation	11,12	-	-	1,640,152	-	1,640,152	-
Net income (loss) for the period		-	-	-	(22,450,560)	(22,450,560)	(1,247,392)
Non-controlling interest on acquisition of a subsidiary		-	-		-	-	-
Balance December 31, 2018		136,536,212	52,602,413	1,640,152	(16,931,476)	**37,311,089**	**(46,412)**
					-	-	-
Issue of shares	10	2,372,683	1,035,324	(991,151)	-	44,173	-
Share issue costs		-	-	-	-	-	-
Share based compensation	11, 12	-	-	962,079	-	962,079	-
Net income (loss) for the period		-	-	-	(14,448,574)	(14,448,574)	(130,354)
Gain on disposal of a subsidiary	5b				183,977	183,977	-
Elimination of non-controlling interest on disposal of a subsidiary	5b	-	-	-	-	-	176,766
Balance December 31, 2019		138,908,895	53,637,737	1,611,080	(31,196,073)	**24,052,744**	**-**

Consolidated Statements of Cash Flows

For the	Notes	year ended December 31, 2019	ten month period ended December 31, 2018
Cash flows from operating activities			
Net income (loss) before taxes for the period		**$ (14,093,683)**	**$ (23,330,537)**
Discontinued segment income (loss) during the period	5a	(440,028)	39,251
Items not affecting cash:			
Change in unrealized (gain) loss from investments held at fair value through profit or loss	6	8,690,745	10,598,541
Equity pickup from investments in associates		-	116,975
Other losses		-	2,398,155
Derecognition of net assets on disposal of a subsidiary	5b	368,289	-
Loss on sale of fixed assets		39,075	-
Share based compensation under the Omnibus Equity Incentive Plan	11,12	962,079	1,640,152
Share based compensation	10,18	44,172	-
Listing fees		-	602,423
Depreciation of fixed assets	17	12,588	20,257
Changes in non-cash working capital:			
Other receivables		506,538	(489,654)
Prepaid expenses		568,909	(607,912)
Receivables from related parties		23,232	(23,232)
Accounts payables and accrued liabilities		(893,527)	800,322
Net cash used in operating activities		**(4,211,611)**	**(8,235,259)**
Investing Activities			
Payment for investment in a subsidiary		-	(1,250,000)
Purchase of investments	6	(742,947)	(4,166,520)
Purchase of long term investments	6	(3,563,581)	(8,902,605)
Sale of investments	6	3,857,881	-
Sale of fixed assets	17	29,040	-
Purchase of fixed assets in a discontinued operations	5a	-	(1,428,578)
Sale of fixed assets in a discontinued operations	5a	63,920	-
Purchase of fixed assets	17	(9,271)	(103,705)
Net cash used in investment activities		**(364,958)**	**(15,851,408)**
Cash flows provided by (used in) financing activities			
Issue expenses		-	(2,091,468)
Proceeds from shares issued		-	38,206,201
Net cash provided by financing activities		**-**	**36,114,733**
Net increase in cash during the period		**(4,576,569)**	**12,028,066**
Cash - beginning of period		13,436,845	1,408,779
Cash - end of period		**8,860,276**	**13,436,845**

The accompanying notes are an integral part of these financial statements

1. REPORTING ENTITY

The Company

The Company was formed on June 8, 2018, by the amalgamation of Globalive Technology Partners Inc. ("**GTP**") and Corporate Catalyst Acquisition Inc. ("**CCA**"). Its registered and records offices are located at East Tower, Bay Adelaide Centre, 22 Adelaide Street West, Suite 3400, Toronto, Ontario, M5H 4E3, and its head office is located at 48 Yonge Street, Suite 1200, Toronto, Ontario, M5E 1G6.

Corporate History

GTP was incorporated under the *Business Corporations Act* (Ontario) on December 7, 2017, with the goal of commercializing technologies, including those based on artificial intelligence and machine learning, blockchain and the internet of things.

On June 8, 2018, GTP completed a reverse takeover transaction (the "**RTO Transaction**") with CCA, a capital pool company listed on the NEX Exchange, resulting in the formation of GT. On June 13, 2018, following the completion of the RTO Transaction, GT's common shares ("**GT Shares**") commenced trading on the TSX Venture Exchange ("**TSX-V**"). GT is the successor of GTP and carries on its business of building and commercializing software solutions using optimal technology stacks.

Globalive Capital Inc. ("**GCI**") owns approximately 57,781,402 common shares of GT, which represents approximately 41.8% of the issued and outstanding common shares of GT (56,956,402 common shares or 41.4% of the outstanding common shares of the Company as at December 31, 2018). GCI also has voting control over up to 41,672,528 common shares pursuant to voting agreements entered into with certain shareholders of GT, which represents up to 30.1% of the issued and outstanding common shares of GT.

Upon completing the RTO Transaction, the GT financial year end was changed from February 28th to December 31st.

2. BASIS OF PRESENTATION

a. Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with IFRS issued by the IASB.

The consolidated financial statements were authorized for issue on March 27, 2019 by the directors of the Company.

b. Basis of measurement

These audited consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss ("**FVTPL**"). These audited consolidated financial statements are presented in Canadian Dollars, which is the Company's functional currency

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of consolidation

Subsidiaries are entities controlled by a company and results are consolidated into the financial results of the controlling company from the effective date of acquisition up to the effective date of disposition or loss of control.

The Company financials are consolidated with the following subsidiaries of the Company:

i. Globalive BIG Dev Inc. ("**GBD**") Dev Inc. ("**GBD**") (up to August 1, 2019 - see note 5 (b)).
ii. Neighbor Billing Inc. ("**Neighbor**").

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Changes in the Non-Controlling Interest ("**NCI**") are accounted for at the time they occur during any financial reporting period. Any net and comprehensive income (loss) realized from the operations of the Company independently from its subsidiaries is fully attributable to the shareholders of the Company.

b. Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates, judgments and assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised. Estimates where management has made subjective judgments and where there is significant risk of material adjustments to assets and liabilities in future accounting periods include fair value measurements for financial instruments (see note 7 for more details), useful lives and impairment of non-financial assets (property, equipment and intangible assets), assessment of the Company's ability to continue as a going concern and fair value measurements for assets and liabilities acquired in business acquisition.

c. Earnings (losses) per share

Basic earnings (losses) per share is calculated by dividing the net income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (losses) per share is determined by adjusting the net income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as warrants and stock options granted to employees, directors and consultants of the Company.

d. New and amended standards adopted by the Company

IFRS 16 "Leases":

In January 2016, the IASB issued IFRS 16, "**Leases**", which requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the requirements and may continue to be treated as operating leases.

Lessors will continue with a dual lease classification model. Classification will determine how and when a lessor will recognize lease revenue, and what assets would be recorded. The Company adopted IFRS 16 effective January 1, 2019. Given its current leasing arrangements, adopting IFRS 16 had no impact on its consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (''IFRIC 23''):

In June 2017 the IASB issued IFRIC 23 to clarify how the requirements of IAS 12 Income Taxes should be applied when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on or after January 1, 2019, with modified retrospective or retrospective application. Adoption of IFRIC 23 had no significant impact on the Company's consolidated financial statements.

IFRS Annual Improvements 2015-2017:

In December 2017 the IASB issued amendments to clarify the requirements of four IFRS standards. The amendments are effective for annual periods beginning on or after January 1, 2019, primarily with prospective application. Adoption of the amendments had no impact on the Company's consolidated financial statements.

e. New and amended standards issued but not yet effective

The following new standards and amendments have been issued by the IASB and were not yet effective for the fiscal year beginning January 1, 2019. The Company does not expect to adopt any of them in advance of their respective effective dates.

Conceptual Framework for Financial Reporting (''Conceptual Framework''):

On March 29, 2018 the IASB published a revised Conceptual Framework that includes revised definitions of an asset and a liability as well as new guidance on measurement, derecognition, presentation and disclosure. The revised Conceptual Framework does not constitute an accounting pronouncement and will not result in any immediate change to IFRS, but the IASB and IFRS Interpretations Committee will use it in setting future standards. The revised Conceptual Framework is effective for the Company beginning on January 1, 2020 and will apply when developing an accounting policy for an issue not addressed by IFRS.

Definition of Material (Amendments to IAS 1 and IAS 8):

On October 31, 2018 the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition of ‘‘material’’. The amendments are applied prospectively on or after January 1, 2020 and are not expected to have a significant impact on the Company’s consolidated financial statements.

Definition of a Business (Amendments to IFRS 3):

On October 22, 2018 the IASB issued amendments to IFRS 3 Business Combinations to narrow the definition of a business and clarify the distinction between a business combination and an asset acquisition. The amendments are applied prospectively to all business combinations and asset acquisitions on or after January 1, 2020 and are not expected to have a significant impact on the Company’s consolidated financial statements.

f. Financial Instruments

Financial instruments are measured at fair value on initial recognition of the instrument. The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. Measurement in subsequent periods depends on whether the financial instrument has been classified as: (i) financial asset at fair value through profit or loss, (ii) financial assets at fair value through other comprehensive income, (iii) financial assets at amortized cost, (iv) financial liabilities at fair value through profit or loss, or (v) financial liabilities at amortized cost.

Classification and Measurement

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVTPL;
- those to be measured at amortized cost; and
- those to be measured at fair value through other comprehensive income (“**FVOCI**”).

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Company initially measures a financial asset at its fair value, less any related transaction costs. Subsequent measurement depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. There are three measurement categories which the Company classifies its financial assets:

- Amortized cost: Assets that are held for the collection of contractual cash flows and those cash flows represent solely payments of principal and interest.
- Fair value through other comprehensive income: Assets that have cash flows that are solely payments of principal and interest but are held either to collect contractual cash flows or for sale are classified as FVOCI.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI.

The Company’s financial assets include other receivables and cash, which are measured at amortized cost. As these assets are held with the objective to collect contractual cash flows and the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

Currently, the Company does not have any financial assets that are classified as FVOCI.

The Company's financial assets also include investments, long term investments and derivative assets which are measured at fair value through profit and loss.

Financial Instrument	IFRS 9 (1)
Cash	Amortized cost
Other receivables	Amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Amortized cost

(1) There were no adjustments to the carrying amounts of financial instruments as a result of the change in classification from IAS 39 to IFRS 9.

Impairment

For amounts receivable, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized upon initial recognition of the receivables.

If a provision for impairment is needed, the amount is recorded through an allowance account, and the amount of the loss is recognized in the consolidated statements of net and comprehensive income within operating expenses. Bad debt write-offs occur when the Company determines collection is not possible. Any subsequent recoveries of amounts previously written off are credited against operating expenses in the Consolidated Statement of Net and Comprehensive Income (loss).

The adoption had no impact on the valuation of the impairment allowance.

g. Capital stock

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

h. Income tax

Income tax expense represents the sum of the tax currently paid or payable for the period and deferred tax. The tax currently paid or payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the annual Consolidated Statement of Net and Comprehensive Income (Loss) because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for taxable temporary differences, except as noted below. Deferred tax assets are generally recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, or the deferred tax liability arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

i. Omnibus Equity Incentive Compensation Plan

The Company operates an omnibus equity incentive compensation plan. The fair value determined at the grant date of the equity-settled share-based compensation is expensed on a graded-vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest.

Equity-settled share-based compensation transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, with fair value being charged to the Consolidated Statements of Net and Comprehensive Income (Loss) using a graded vesting attribution method over the vesting period with a corresponding credit to contributed surplus. For those options that expire after vesting, the recorded value is transferred to retained earnings (deficit).

j. Foreign currency translation

The consolidated financial statements are presented in Canadian Dollars which is the Company's functional currency.

Assets and liabilities of the Company which are denominated in foreign currencies are translated at the year-end exchange rate. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in the Consolidated Statement of Net and Comprehensive Income (Loss).

k. Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When major components of an item of property and equipment have different useful lives, they are accounted for separately.

The cost of replacing a component is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Consolidated Statement of Net and Comprehensive Income (loss)during the financial period in which they are incurred.

The Company provides for depreciation using the following methods at rates designed to depreciate the cost of the property and equipment over their estimated useful lives. The annual depreciation rates and methods are as follows:

Asset	Method	Rate
Furniture and fixtures	Straight-line	5 years
Computer equipment and mining servers	Straight-line	2 years
Leasehold improvements	Straight-line	Term of lease

l. Impairment of fixed assets and the mining servers

Fixed assets and cryptocurrency mining servers are subject to impairment testing whenever events or changes in circumstances indicate that the carrying value may not be recoverable. At each reporting date, the Company conducts an internal review of asset values which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future digital currency prices, and other market factors are also monitored to assess for indicators of impairment. If any indications of impairment exist, an estimate of the asset's recoverable amount is calculated, being the higher of fair value less costs to sell and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount based on the Company's calculations, then an impairment charge is recorded to the Consolidated Statement of Net and Comprehensive Income (loss) and the carrying amount of the asset on the consolidated statement of financial position is reduced to its recoverable amount.

A previously recognized impairment loss on fixed assets and mining servers is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in impairment. This reversal is recognized in the Consolidated Statement of Net and Comprehensive Income (loss) and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

m. Cash and cash equivalents

Cash and cash equivalents include cash on hand and, when applicable, short-term, highly liquid deposits which are either cashable or which have original maturities of less than three months at the date of their acquisition.

n. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

o. Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

p. Investments in associates

An associate is an entity over which the Company has significant influence, but not control, and is neither a subsidiary, nor an interest in a joint venture. Investments in which the Company has the ability to exercise significant influence are accounted for by the equity method. Under this method, the investment is initially recorded at cost and adjusted thereafter to record the Company's share of post-acquisition earnings or loss of the investee as if the investee had been consolidated. The carrying value of the investment is also increased or decreased to reflect the Company's share of capital transactions, including amounts recognized in other comprehensive income, and for accounting changes that relate to periods subsequent to the date of acquisition. Where there is objective evidence that the investment in associates is impaired, the amount of impairment, calculated as the difference between the recoverable amount of the associate and its carrying value, is deducted from the carrying value and recognized as a loss in the Consolidated Statement of Net and Comprehensive Income (loss).

q. Revenue from mining-as-a-service agreement

The Company realized revenues directly from the mining of digital currencies sold to Hyperblock Inc. ("Hyperblock") at the point of mining. The sales price is based on the monthly average market rate for the applicable digital currency in United States Dollars, and payment is received in United States Dollars (see note 5(a) for more information).

4. PUT/CALL AND RIGHT OF FIRST REFUSAL AGREEMENT

a) Description

Flexiti Financial Inc. ("**Flexiti**") is a Canadian financial technology lender offering technology-enabled instant credit approvals for prime customers at the point-of-sale for big-ticket retailers. Flexiti is a wholly owned subsidiary of FLX Holding Corp. (formerly Wellspring Holding Corporation. "**FLX**"). As previously announced, the Company has entered into a technology development agreement with Flexiti, and expects to leverage Flexiti's loan portfolio, customer base and related historical loan data to build technology platforms to optimize consumer financing at the point-of-sale.

On June 6, 2018, GT entered into a right of first refusal and put option agreement with 2629331 Ontario Inc. ("**262**"), a wholly owned subsidiary of GCI, which owns a substantial interest in, and controls, FLX. That agreement was subsequently amended and restated by a put, call and right of first refusal agreement dated June 21, 2018 (the "**Put/Call Agreement**"), and certain terms affecting the Put/Call Agreement were further amended in October and November of 2018 in connection with the purchase and sale of certain debentures of 262. Following these amendments, the Put/Call Agreement provides for the following:

i. 262 grants GT a right of first refusal in respect of a change of control of 262, or a sale of its ownership interest in FLX, that occurs within 1 year of the date of the agreement;

ii. GT grants 262 and its shareholders a put option (the "**Flexiti Put**") which may be exercised for up to 2 years following the date of the agreement. If exercised, the Flexiti Put would require GT to:

    a. acquire all issued and outstanding common shares of 262 for an aggregate purchase price of up to 5,000,000 GT Shares;

    b. vertically amalgamate with 262, therefore inheriting the obligations of 262 which include senior secured debentures in the aggregate principal amount of $15 million (50% of which are currently held by GT) which would remain outstanding (but cease accruing fees/interest) and be convertible into GT Shares at a conversion price of $1.00 per share (amended from $1.50/share in Q4 2018), and junior secured debentures in the aggregate principal amount of $6 million;

    c. pay all outstanding principal and interest accrued on the junior secured debentures; and

    d. pay a make-whole payment to the holders of the senior secured debentures, one year following the amalgamation, in lieu of the interest and fees that would accrue over the lifetime of those debentures;

iii. 262 and its shareholders grant GT a call option (the "**Flexiti Call**") which may be exercised for up to 2 years following the date of the agreement. If exercised, the Flexiti Call would require GT to:

   a. acquire all issued and outstanding common shares of 262 for an aggregate purchase price of 13,333,333 GT Shares;

   b. vertically amalgamate with 262, therefore inheriting the obligations of 262 which include senior secured debentures in the aggregate principal amount of $15 million (50% of which are currently held by GT) which would remain outstanding (but cease accruing fees/interest) and be convertible into GT Shares at a conversion price of $1.00 per share (amended from $1.50/share in Q4 2018); and

   c. pay all outstanding principal and interest accrued on the junior secured debentures; and

   d. pay a make-whole payment to the holders of the senior secured debentures, in lieu of the interest and fees that would accrue over the lifetime of those debentures.

Each of the foregoing rights and options are limited by and subject to certain terms and conditions including GT obtaining approval from the TSX-V and its disinterested minority shareholders.

There were a number of significant developments relating to the Company's interest in Flexiti during the year ended 2019 including:

- On January 1, 2019, the Company and Flexiti entered into a services agreement which provided that the Company's Chief Technology Officer and Chief People Officer would dedicate a portion of their working time to delivering management services to Flexiti. Work under the services agreement continued until April 17, 2019.

- On January 9, 2019 and February 20, 2019, the Company announced it was exercising the Flexiti Call, subject to certain conditions precedent, including the Company's satisfaction that adequate financing can be obtained to fund Flexiti and its parent, FLX. On September 13, 2019, the Company provided an update on the financing efforts of Flexiti and FLX, and announced it was considering, in addition or in the alternative to the exercise of the call right, negotiating a business combination transaction that would result in the Company owning all or substantially all of the common equity of Flexiti on terms acceptable to the parties and their respective stakeholders. Negotiations regarding a potential business combination are still ongoing and there can be no assurance that such a transaction, or even an agreement relating to such a transaction, will be reached. In the meantime, the Company continues to work with Flexiti and FLX to determine if the conditions to the exercise of the Flexiti Call can be satisfied.

- On February 22, 2019, FLX completed a pre-emptive rights offering for Series 2 Class B Preferred Shares of FLX, convertible into common shares of FLX, which was made available to FLX shareholders pro rata according to their existing interests in the company. The Company participated in the FLX rights offering directly for its share of 1.5% ($225,000) and advanced a $3,000,000 loan to 262 to allow it to participate for its share of 41.4% of the rights offering ($2,635,000).

b) Valuation

The Put/Call Agreement represents an embedded derivative, and therefore, the Company has classified the entire value as FVTPL and obtained a third-party valuation as of the date of the agreement, June 21, 2018 (the "**Valuation Date**"). Using the Monte Carlo simulation method, it was estimated that the fair value of the Flexiti Call is $665,000, which was allocated to a capital reserve account "Share premium reserve". The Flexiti Put was found to have zero value due to a price adjustment clause which limits the put price to a fair price when the option is exercised. The significant inputs and assumptions used in the valuation of the Put/Call Agreement were:

1. The Flexiti Call's valuation is highly sensitive to the correlation between the guideline companies used for simulation purposes. Due to the integrated and synergistic nature of the GT and 262 businesses, as well as the economic circumstances, a value of 0.50 was determined to represent the most reliable correlation for fair value purposes.
2. A change of control of 262 is not expected during the next 2-years (i.e., during the life of the call/put options).
3. No dividends will be paid for the next two years by either 262 or the Company.
4. For the starting share price, a fresh valuation for 262 was not needed, as the fair value of 262's enterprise value and/or equity is available from the transaction price and the options' valuation date is very close to the transaction date.
5. Comparable companies' historical data (with look back period matching the term of the option) was used to estimate the model input variables for both 262 and GT.
6. The number of shares outstanding for both 262 and GT at the time of valuation will not change during the life of the options.
7. The Bank of Canada's 2-year T-bill rate was used as the risk-free rate.

As of December 31, 2018, the Company obtained an updated valuation model from the same third-party valuator. The valuation approach used for updating the fair values as at December 31, 2018 is consistent with the ones obtained as of the Valuation Date, with the exception of the change in the starting value of 262. The updated valuation is based on 262's consolidated equity value as per the audited consolidated financial statements of 262 and Flexiti which were not available at the time of the initial fair valuation. Based upon the above assumptions and available information as of the date of these financials, it was calculated that the fair value for the Flexiti Call has a $nil value.

As of December 31, 2019, the Company is not aware of any changes to the above valuation assumptions to warrant a change in the value of the Flexiti Call / Flexiti Put.

5. DISCONTINUED OPERATIONS

a. Discontinuation of segment (HyperBlock):

i. Description

On June 11, 2018, the Company entered into a mining-as-a-service agreement with HyperBlock (the "MaaS Segment").

HyperBlock brokered the acquisition of 800 miner servers with power supply units ("Mining Servers") for the Company, which HyperBlock was operating and maintaining in a business that was intended to rent the computation power ("Hashrate") of these Mining Servers to third parties interested in mining digital currencies.

On June 15, 2018, the Company paid USD $1,571,840 to acquire the Mining Servers. This amount included the required electrical infrastructure and installation, prepaid management fees to HyperBlock and some other charges (collectively, the "Upfront Costs"). HyperBlock also collected a sale commission based on the revenue generated from the Hashrate sales. Once the Company had recovered its full Upfront Costs, the total revenue generated from Hashrate sales (net of the sales commission, cost of electricity, maintenance and any other running costs) was to be split with HyperBlock at a predetermined rate.

When HyperBlock was unable to sell all of the available Hashrates, the Company realized revenues directly from the mining of digital currencies sold to HyperBlock at the point of mining. The sales price of such digital currency was based on the monthly average market rate for the applicable digital currency in United States Dollars, and payment was received in United States Dollars.

During the financial year ended December 31, 2019 (the "**Reporting Period**"), the Company decided to exit the MaaS Segment and sold all of its Mining Servers to HyperBlock.

ii. Financial performance and cash flow of the discontinued MaaS Segment

The table below shows the segment financial information during the year ended December 31, 2019 and the ten-month period ended December 31, 2018:

	Year ended **December 31, 2019**	Ten month ended **December 31, 2018**
Add: Hashrate sales	-	-
Add: mining digital currencies (US $182,880, 2018: US $508,471)	244,648	673,766
Less: Cost of sales		
Management fees	(26,755)	(52,507)
Cost of electricity and maintenance	(212,203)	(433,435)
Segment profit (loss) during the period	**5,690**	**187,824**
Deduct:		
Amortized of the prepaid management fees paid to HyperBlock	(74,287)	(148,573)
Impairment loss - prepaid management fees balance paid to HyperBlock	(371,432)	-
Depreciation of property and equipment	-	(260,568)
Loss on sale / valuation of Mining Servers	(45,216)	(1,058,876)
Net income (loss) from discontinued operation (attributable shareholders of the company)	**(485,245)**	**(1,280,193)**
Net cash provided by (used in) operating activities	(440,029)	39,251
Net cash provided by (used in) investment activities	63,920	(1,428,580)

b. Discontinuation of business ventures:

i. Neighbor Billing:

The Company has been engaged in developing a utility commerce management platform that bundles the billing for utility services and other similar household bills into a single consolidated invoicing and payment regime for Neighbor Billing Inc. (“**Neighbor**”), its business venture with Sponsor Energy Inc. (“**Sponsor**”). During the Reporting Period, following a thorough consideration of market conditions and strategic alternatives, the Company determined that the additional capital required to fund the next phase of Neighbor’s development and operations exceeded what the Company and Sponsor were prepared to make available. On June 4, 2019, the Company completed a transaction to conclude its business venture with Sponsor, with the result that the Company is now the sole owner of Neighbor and its associated intellectual property, but has granted limited licenses to Sponsor to allow it to commercialize certain of the intellectual property on a non-exclusive basis in the utilities market. The Chief Technology Officer, Chief People Officer and certain employees engaged by the Company to work solely on the Neighbor billing platform departed the Company during the Reporting Period, resulting in a one-time cost associated with employee departures of approximately $401,849.

Amounts relate to Neighbor’s operations are not presented in the Company’s Consolidated Statements of Net and Comprehensive Income (Loss) and the Company’s Consolidated Statements of Cash Flows as discontinued operations.

ii. **Globalive BIG Dev Inc.**

GBD is a subsidiary of the Company formed for the purpose of implementing a business venture between the Company and Business Instincts Group Inc. (“**BIG**”), to develop software to support decentralized and intelligent business frameworks. GBD was intended to provide customers with access to a library of software stacks and customizable solutions featuring blockchain and machine learning technology. On May 24, 2018, the Company completed the initial organization and set-up of GBD. The Company contributed $1,250,000 to acquire 510,000 shares or 51% of the issued and outstanding common shares of GBD and also entered into a Master Service Agreement among the Company, GBD and BIG to potentially provide certain services to the business venture. It was the intention of the Company and BIG that any appropriate software development opportunities identified by either of them would also be offered first to GBD.

On August 1, 2019 (the “**Sale Date**”), the Company sold its interest in GBD to BIG and took back a debenture from BIG in the principal amount of $1,250,000. The transactions and balances of the Company and GBD were included in financial statements from the effective date of the acquisition on May 24, 2018. On the Sale date, the Company:

1. Derecognized the assets and liabilities of GBD from the Consolidated Statements of Financial Position.
2. Recognized the debenture investment retained in the GBD at its fair value.
3. Recognized the gain associated with the loss of control attributable to the former subsidiary:

Fair value of proceeds	-
Plus: Carrying amount of the noncontrolling interest	(176,766)
Minus: Carrying amount of GBD	(360,743)
Gain on disposal of GBD	**183,977**

Amounts relate to GBD’s operations are not presented in the Company’s Consolidated Statements of Net and Comprehensive Income (Loss) and the Company’s Consolidated Statements of Cash Flows as discontinued operations.

6. INVESTMENTS

The Company has made and continues to make strategic investments in existing and potential future Collaborators and other strategic partners. The Company carried the following investments in certain technology companies as at December 31, 2019:

Investment name	$	Cost	Estimated Fair Market Value	Ref.
Privately held investments:				
Debt investments	USD	1,115,999	1,197,181	(i)
Debt investments	CAD	11,350,181	3,100,000	(ii)
Equity investments	CAD	5,922,925	4,440,173	(iii)
Equity investments	USD	6,386,755	6,338,925	(iii)
Warrants to acquire equity investments	CAD	322,138	61,609	(iv)
Warrants to acquire equity investments	USD	197,154	145,878	(iv)
Total Investments		**25,295,152**	**15,283,766**	
Investments classified as current		**12,828,972**	**10,986,585**	
Long term Investments		**12,466,180**	**4,297,181**	

As at December 31, 2018, the financial details of the Company's investments are described in detail below:

Investment name	$	Cost	Estimated Fair Market Value	Ref.
Puplicly listed investments:				
Equity shares:				
HyperBlock Inc.	CAD	2,525,000	160,714	(i)
CryptoStar Inc.	CAD	300,000	9,000	(ii)
Fastforward Innovations Limited	GBP	131,870	99,528	(iii)
Privately held investments:				
Debt investments	USD	1,660,265	697,573	(i)
Debt investments	CAD	8,250,181	8,250,181	(ii)
Equity investments	CAD	7,792,991	7,511,018	(iii)
Equity investments	USD	6,055,630	6,525,194	(iii)
Warrants to acquire equity investments	CAD	322,138	84,000	(iv)
Warrants to acquire equity investments	USD	197,154	188,658	(iv)
Total Investments		**27,235,229**	**23,525,866**	
Investments classified as current		**17,324,783**	**14,578,112**	
Long term Investments		**9,910,446**	**8,947,754**	

a. Publicly-listed investments:

i. **HyperBlock**: During the Reporting Period, the Company sold all of its 5,357,143 shares of HyperBlock for $158,259, realizing a loss of $2,366,741.

The market price for HyperBlock shares as at December 31, 2018 was $0.03 per share.

ii. **CryptoStar Inc.** ("**CryptoStar**"): During the Reporting Period, the Company sold all of its 600,000 shares of CryptoStar for $6,000, realizing a loss of $294,000.

iii. **Fastforward Innovations Limited ("Fastforward"):** During the Reporting Period, the Company sold all of its 585,954 shares of Fastforward for a Canadian equivalent of $101,618, realizing a loss of $30,252.

b. Privately held investments

i. **Debt investments in USD:**

During the year ended December 31, 2019, the Company participated in a refinancing of its convertible debenture investment denominated in USD. The face value of the new debt was increased by the amount of interest which was accrued during the period of ownership USD $ 30,411. The Company also invested an additional USD $350,000 (CAD $463,575) with the same investee.

On December 31, 2019, using a "with" and "without" valuation approach, the fair value of the convertible debentures, is USD $921,760, or the Canadian equivalent of $1,197,181 (December 31, 2018 - USD $511,343, or the Canadian equivalent of $697,573).

The significant assumptions used in the valuation of the convertible debentures were:

1. cash burn projections;
2. the date of new financing which will trigger the conversion feature of both debt investments;
3. the probabilities of completing a qualified financing, completing a non-qualified financing and liquidation, respectively; and
4. the convertible debentures' initial internal rates of return (i.e., as on the issuance date) are used as discount rate for fair market value calculations.

ii. Debt investments in CAD:

Senior debenture of 262:

On October 10, 2018 and November 9, 2018, the Company acquired senior secured convertible debentures of 262 (the "**Senior Debentures**") in the aggregate principal amount of $7,500,000. The Company acquired the debentures in an arm's length transaction at a value that was approved by both 262's and GT's boards of directors, however, the result is that the Company now holds debentures in 262, an entity that is considered to be related party. The Senior Debentures bear interest at 17.5% per annum, compounded and calculated monthly, in arrears and will mature on May 1, 2020.

Under the terms of the Senior Debentures, the holder will receive a risk premium charge (the "**Risk Premium Charge**") which is an amount equal to 10% of the principal due under the Senior Debentures. 50% of this charge was paid upon issue and the remaining 50% will be payable on the earlier of (i) the time that the Senior Debentures are converted, (ii) the time that the Senior Debentures are repaid on maturity or redemption, (iii) the time that a Flexiti Put or Flexiti Call transaction is completed (see note 4 for more details), and (iv) upon completion of any change of control of 262. Interest accrues on the Risk Premium Charge commencing on the date they were issued (May 1, 2018) at the same rate as on the Senior Debentures and any interest so accrued shall be compounded and considered as part of such amount.

Automatic Conversion: Subject to certain conditions, the Senior Debentures' outstanding principal owing can be automatically converted into common shares of 262 at a predetermined pricing if (i) the common shares are listed on a nationally recognized stock exchange (which includes the TSX Venture Exchange) and (ii) the current market price of the common shares on such nationally recognized stock exchange is equal to or greater than $3.00 with average daily trading volume of not less than 250,000 shares, and upon payment in full of all accrued and unpaid interest, if any.

Optional Conversion: At the option of the holder, the Senior Debentures are convertible, in whole or in part, as to principal, at the applicable predetermined conversion price, subject to adjustment in certain events, at any time following the exercise of the Flexiti Put or the Flexiti Call in accordance with the Put/Call Agreement and prior to the close of business on the earlier of: (i) the last business day immediately preceding their maturity date, and (ii) the date fixed for redemption, into common shares of 262 or any successor to 262.

The debentures' conversion features result in contractual cash flows that do not consist solely of interest and principal and therefore these investments are classified as FVTPL under IFRS 9.

During the year ended December 31, 2019, following several internal rounds of financing in FLX and Flexiti, the Company determined that these investments should be re-valued to reflect the expected current value of their underlying security, resulting in an unrealized loss of $9,554,526 including any accrued interest.

Loan to 262:

The Company also made a loan of $3,000,000 to 262, to allow it to participate for (A) its pro rata share ($2,666,250) of the Series 2 Class B Preferred Shares of FLX (19,044,642 shares) and (B) a $250,000 share of an offering of Class A shares of Flexiti. The loan is secured by a first ranking charge over the shares acquired using the loan proceeds. Notwithstanding recent rounds of internal financing in FLX and Flexiti, the Company does not believe any change in the value of this loan is warranted at this time.

iii. Equity investments:

The Company invested in a variety of private equity investments during the ten-month period ended December 31, 2018. These investments are mainly in common shares or preferred shares with liquidity and/or dividend priority advantages.

The Company also acquired certain assets (the "**Vend-In Assets**") from GCI and 2330573 Ontario Inc. in exchange for 19,914,894 GT Shares (see note 10 (d) for more information). On acquisition the Vend-In Assets were measured at a fair value of $11,333,261. The Vend-In Assets included both Canadian and USD equity securities. All acquired securities were classified as FVTPL.

The Company revalued the USD denominated equity securities using the related exchange rate as of December 31, 2019 resulting in an unrealized loss of CAD $329,152 during the year ended December 31, 2019 ($CAD $469,564 during the ten-month period ended December 31, 2018).

The Company used private transactional pricing and internal valuation model to adjust the fair value of these investments recording an unrealized loss of $1,718,177 during the year ended December 31, 2019 (unrealized loss of $281,973 during the ten-month period ended December 31, 2018).

The Company also sold its position in a private equity holding and realized a gain of CAD $1,310,116.

iv. Warrants to acquire equity investments:

As part of the Vend-in Assets, the Company acquired warrants entitling the Company to acquire some of the equity investments mentioned in section (iii) above. On acquisition the warrants were measured at a fair value of CAD $322,138 for warrants denominated in CAD and CAD $197,154 for warrants denominated in USD. As of December 31, 2019, the estimated fair value of the warrants denominated in CAD was $61,609 for warrants denominated in CAD and CAD $145,878 for warrants denominated in USD. Accordingly, the Company recognized an unrealized loss of CAD $65,171 during the year ended December 31, 2019 (as of December 31, 2018, the estimated fair value of the warrants denominated in CAD was $84,000 for warrants denominated in CAD and CAD $188,658 for warrants denominated in USD recognizing an unrealized loss of CAD $246,634 during the ten-month and three month periods ended December 31, 2018).

The Company used the Black-Scholes option pricing model to estimate fair market value, listed below are the weighted average assumptions used as of December 31, 2019:

Average risk-free interest rate	1.44%
Annualized volatility	65.00%
Dividend rate	0.00%
Expected weighted average life (years)	4.85 years

7. INVESTMENT IN ASSOCIATES

VIDL: During 2018 VIDL was a news service that was developing blockchain and machine learning technology to assess the veracity of news stories in real time and deliver those stories to users in a personalized, curated news feed. The Company held a 32% interest in the common shares of VIDL which were acquired at a cost of USD $194 (CAD $247). In addition, the Company also invested USD $800,000 (CAD $1,007,840) in a convertible debenture issued by VIDL with up to a 20% discount privilege on conversion. In December 2018, VIDL was liquidated and as a result has been recorded at $nil value in the financial statements.

Mantle: The Company has partnered with Mantle, the creator of a virtual blockchain-as-a-service platform that enables companies to quickly test and deploy blockchain applications. The Company currently holds a 14.1% interest in Mantle on a fully diluted basis which was bought at a cost of $1,000,000. The Company also has a contractual right to one of three board of directors' seats.

During 2019 the Company board member resigned from Mantle's board of directors and reclassified its position from an associate to investments.

The following are selected financial information for both Mantle and VIDL as of December 31, 2018:

	Mantle	**VIDL**
Total assets	473,239	804
Total liabilities	302,101	1,113,247
Revenues	12,787	-
Net profit (loss)	(828,168)	(1,113,261)

The carrying amount of equity-accounted investments has changed as follows during the year ended December 31, 2019 and the ten-month period ended December 31, 2018:

	December 31, 2019	**December 31, 2018**
Investment in associates, opening balance	-	1,000,000
GT's share of net gain (loss) (1) (2)	-	(116,975)
Impairment loss (3)	-	(883,025)
Investment in associates, closing balance	-	-

(1) VIDL had a loss of USD $816,054 (an equivalate to $1,057,362) during the ten-month period ended December 31, 2018. Based on a 32% ownership, the Company's share in these loses is estimated to be USD $261,137. The Company applied other historical losses to the extent that the cost of investment is $nil, any unused losses will be carried forward to subsequent periods and be applied against any future gains.

(2) Mantle had a loss of $828,168 during the ten-month period ended December 31, 2018. Based on a 14.12% ownership, the Company's share in these loses is estimated to be $116,975.

(3) The Company has written-off the remaining value of this investment due to Mantle significantly reducing its employees and operations. As a result, this investment has been recorded at $nil value in the Company's financial statements (see note 19).

8. FAIR VALUE MEASUREMENT

The Company's financial assets and financial liabilities at December 31, 2019 and December 31, 2018 were as follows:

December 31, 2019:

	Assets at fair value through profit or loss	Amortized cost	Other financial liabilities	Total
Cash		8,860,276		**8,860,276**
Other receivables		18,035		**18,035**
Investments	10,986,585			**10,986,585**
Long term investments	4,297,181			**4,297,181**
Accounts payables and accrued liabilities			152,807	**152,807**

December 31, 2018:

	Assets at fair value through profit or loss	Amortized cost	Other financial liabilities	Total
Cash		13,436,845		**13,436,845**
Other receivables		524,573		**524,573**
Investments	14,578,112			**14,578,112**
Long term investments	8,947,754			**8,947,754**
Accounts payables and accrued liabilities			1,046,334	**1,046,334**

Fair value hierarchy:

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at December 31, 2019 and December 31, 2018:

December 31, 2019:

	Fair Value	Fair value measurement used			Total
		Level 1	Level 2	Level 3	
FVTPL					
Investments	10,986,585	-	3,064,273	7,922,312	10,986,585
Long term investments	4,297,181	-	100,000	4,197,181	4,297,181

December 31, 2018:

	Fair Value	Fair value measurement used			Total
		Level 1	Level 2	Level 3	
FVTPL					
Investments	14,578,112	269,242	14,036,213	272,657	14,578,112
Long term investments	8,947,754	-	8,250,181	697,573	8,947,754

Level 1 Fair Value Measurements: Inputs are quoted prices unadjusted in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 Fair Value Measurements: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Includes inputs using a valuation methodology other than quoted prices included within Level 1.

Level 3 Fair Value Measurements: Inputs that are not based on observable market data and that are significant to the fair value measurement. These unobservable inputs reflect the Company's own assumptions about what a market participant would use in estimating fair value of a financial instrument.

The Company will transfer between levels in the fair value hierarchy only when the instrument no longer satisfies the definition of the fair value category it was recognized in.

Fair value is calculated using recent arm's length transactions, or prevailing market rates for instruments with similar characteristics.

The following shows the impact to the fair value of the Level 3 securities held at December 31, 2019 had the value of the securities increased or decreased as a result in a reasonable shift in the value of the most material unobservable input used to value these securities:

Security Name	Fair Value	Valuation technique	Unobservable inputs	Reasonable Shift	Change in valuation
Convertible Debenture USD	$ 1,179,181	"with" and "without" valuation approach	Assign 50%, 30% and 20% probability weighting to the assumptions of completing a qualified financing, completing a non-qualified financing and liquidation, respectively	Assign 0%, 0% and 100% probability weighting to the assumptions of completing a qualified financing, completing a non-qualified financing and liquidation, respectively.	($1,140,000)
Warrants	$208,687	Black-Scholes option pricing model	Volatility	+50%	$92,000
Equity share 1	$nil	Multiples of annual sales	Multiple value	+5 multiples	$203,000
Equity share 2	$1,225,000	Potential sale valuation	Sale price	-25%	$nil
Equity share 3(*)	$6,256,634	Potential sale valuation	Sale price in relation to a revenue target	Revenue target missed	($857,000)
Equity share 4	$500,000	Potential sale valuation	Sales price	-25%	$nil
Equity share 5	$451,251	Discount rate	Discount for lack of marketability	+/- 25%	+/- $59,000
Flexiti Call	$nil	Monte Carlo simulation model	0.50 correlation	+/- 0.50 correlation	$nil

(*) The fair value of this equity share includes warrants with fair value of $145,878 and convertible debentures with fair value of $1,179,181. The potential sale transaction event would cause both warrants and convertible debentures to be converted into this equity holding.

The following shows the impact to the fair value of the Level 3 securities held at December 31, 2018, had the value of the security increased or decreased as a result in a reasonable shift in the value of selected material unobservable inputs used to value this security:

Security Name	Fair Value	Valuation technique	Unobservable inputs	Reasonable Shift	Change in valuation
Convertible Debenture USD	$ 697,574	"with" and "without" valuation approach	Assign 50%, 30% and 20% probability weighting to the assumptions of completing a qualified financing, completing a non-qualified financing and liquidation, respectively	Assign 0%, 0% and 100% probability weighting to the assumptions of completing a qualified financing, completing a non-qualified financing and liquidation, respectively.	($662,000)
Warrants	$272,657	Black-Scholes option pricing model	Volatility	+50%	$107,000
Flexiti Call	$nil	Monte Carlo simulation model	0.50 correlation, and $109,000 equity value of 262	+/- 0.50 correlation, and +/- $2,891,000 change in 262's equity	$485,000/ $nil respectively

The following is a reconciliation of investments in which significant unobservable inputs (level 3) were used in determining their fair value:

	Total
Balance as of December 31, 2018	970,230
Purchases	463,575
Transfers from level 2	10,714,825
Change in FMV	(29,137)
Balance as at December 31, 2019	12,119,493

Financial Risk Management:

The Company's activities expose it to a variety of financial risks that arise as a result of its operating, investing, and financing activities including:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Price risk.

This note presents information about the Company's exposure to the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk:

Credit risk is the potential for financial loss to the Company if a counterparty in a transaction fails to meet its obligations. The Company's cash and cash equivalents, other receivables and investments in debt instruments are exposed to credit risk. The Company monitors its credit risk management policies continuously to evaluate their effectiveness and feels that the creditworthiness of its counterparties is currently satisfactory. Cash and cash equivalents primarily consist of highly liquid temporary deposits with Canadian chartered banks.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. To achieve this objective, the Company prepares annual operational expenditure budgets which are regularly monitored and updated as considered necessary. As at December 31, 2019 the Company had $8,860,276 of cash available to settle $152,807 of financial liabilities (as at December 31, 2018 the Company had $13,436,845 of cash available to settle $1,046,334 of financial liabilities).

The Company's accounts payable and accrued expenses are non-interest bearing and are due in less than 90 days.

Market risk:

Market risk is the potential for loss to the Company from changes in the values of its financial instruments due to changes in interest rates, foreign exchange rates or equity prices.

The Company's investments are classified at FVTPL, therefore changes in fair market value on securities are recorded in net income.

Further risks related to market risks that are present in the Company are as follows:

i. Price risk:

The Company is exposed to equity securities price risk because of investments held by the Company.

As at December 31, 2019, had the fair values of the investments at FVTPL increased or decreased by 30%, with all other variables held constant, net income would have increased or decreased by approximately $4,585,000 (December 31, 2018 - $7,058,000).

ii. Interest rate risk:

The Company's interest rate risk arises from investments in debt instruments carried at FVTPL and cash balances with variable rates of interest as fair value of these financial instruments can fluctuate because of changes in market interest rates.

As at December 31, 2019, the approximate impact on the Company if the changes in the prevailing levels of market interest rates strengthened or weakened by 1% would be a gain or a loss of $87,000 respectively (December 31, 2018 - $128,000).

iii. Currency risk:

Currency risk arises from financial instruments that are denominated in a currency other than the functional currency of the Company, which is the Canadian dollar. The Company is exposed to the risk that the value of investments denominated in currency other than Canadian dollars will fluctuate due to changes in exchange rates. The Company's investment denominated in United States Dollars and Great Britain Pounds ("**GBP**") are marked accordingly in the schedule of investments included in note 6 above.

As at December 31, 2019, the approximate impact on the Company if the CAD weakened by 5% in relation to USD and GBP would be a gain of $414,000 and $nil respectively (December 31, 2018 - $383,000 and $5,000 respectively). If the Canadian dollar were to strengthen relative to these currencies, the opposite would occur. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

9. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of its share capital. The Company manages its capital structure and makes adjustments based on the funds available to support new business ventures with Collaborators and support its medium-term working capital. The Board of Directors has not established quantitative return on capital criteria for management and relies on the expertise of management and the Board of Directors to sustain future development of the business.

The management and the Board of Directors review the Company's capital management approach on an ongoing basis and believe it reflects a reasonable approach given the relative size of the Company's assets.

The Company is not subject to externally imposed capital requirements.

10. SHARE CAPITAL

As at December 31, 2019, the Company's authorized number of GT Shares was unlimited without par value, while the Company's number of issued GT Shares as of same date was 138,908,895 shares (December 31, 2018 – 136,536,212).

During October, the Company issued common shares to its Chief Executive Officer in satisfaction of his net salary for services rendered during the period from July 1, 2019 to September 30, 2019. The arrangement was approved by the shareholders of the Company at its annual general meeting on June 20, 2019. The Chief Executive Officer's net salary for the payment period was $44,171.67, which was paid by issuing 631,023 common shares of the Company at the closing price of such shares on the last day of the Payment Period ($0.07/share).

11. SHARE BASED PAYMENT FOR SERVICE

In May 2018, GT entered into a digital marketing agreement (the "**Digital Marketing Agreement**") with Wallace Hill Partners Ltd. ("**Wallace**"), pursuant to which Wallace was providing financial publishing and digital marketing services to GT. Those services included the creation of landing pages and other forms of digital marketing. It was expected that Wallace would also promote the landing pages created and drive internet traffic for the benefit of GT. Wallace was to be compensated for the services it provided as follows: (i) a cash payment of USD $300,000 was paid on execution of the Digital Marketing Agreement to cover marketing expenses; (ii) a cash payment of CAD $810,000 was paid on execution of the Digital Marketing Agreement as a signing fee; and (iii) a grant of 800,000 stock options and 1,900,000 restricted share units ("**RSUs**") was made on June 8, 2018 as a further fee for the services. The prepaid fees cover a period of two years.

During March 2019, the Company terminated the Digital Marketing Agreement and expensed the remaining prepaid amount of $824,193 in its 2018 annual financial statements. All the Options and RSUs mentioned in note 11 were forfeited, which resulted in a subsequent reduction of $416,663 in the related expense and share-based payment reserve.

12. OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

The 2018 Omnibus Equity Incentive Compensation Plan (the "**Plan**") permits the grant of Options, Share Appreciation Rights ("**SAR**"), RSUs, Deferred Share Units ("**DSU**") and Performance Share Units ("**PSU**"). The Plan was approved by the Company's board of directors on June 8, 2018 ("**Granting Date**") and shareholders of the Company on May 22, 2018 and is effective from June 8, 2018 until the earlier of (i) the date it is terminated by the Board in accordance with the Plan, and (ii) 10 years after the date of the Plan.

The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Plan participants with that of other shareholders of the Company generally, and (iii) enable and encourage participants to participate in the long-term growth of the Company through the acquisition of GT Shares as long-term investments.

The number of GT Shares reserved for issuance under the Plan upon the exercise of options will not, in the aggregate, exceed 10% of the outstanding GT Shares. Additionally, the maximum number of GT Shares reserved for issuance under the Plan upon exercise or settlement of any awards other than options shall be 13,703,621 GT Shares. In connection with the foregoing, the maximum number of GT Shares for which awards may be issued to any one participant in any 12-month period shall not exceed 5% of the outstanding GT Shares or 2% in the case of a grant of awards to any consultant or persons (in the aggregate) retained to provide investor relations activities.

Equity-settled share-based compensation to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

As of December 31, 2019, the Company has granted 7,350,000 options and 7,250,000 RSU's to the Company's officers, employees and consultants. Due to employee departures, 2,475,000 Options and 1,125,002 RSUs were forfeited during the period from the Granting date to December 31, 2019. During the same period, the 800,000 Options and the 1,900,000 RSUs which were issued to Wallace (see note 11) were also forfeited. During the year ended December 31, 2019 there were 1,741,660 RSUs and 1,349,991 Options that were vested.

The following table shows the movement of the share-based payment reserve during the year ended December 31, 2019 and the ten-month period ended December 31, 2018:

	Share purchase options	Restricted Share units	Total
Expensed during the year ended December 31, 2019	218,847	743,232	962,079
Expensed during the ten-month period ended December 31, 2018	338,903	1,301,249	1,640,152

The Company had the following stock options outstanding at December 31, 2019 and 2018:

	Grant date	Exercise Price	Number Outstanding	Vested Options	Ave remaining Life (years)	Expiry Date	FMV $
As at December 31, 2019:	June 8, 2018	0.25	2,700,000	-	5.25	April 1, 2025	314,706
As at December 31, 2018:	June 8, 2018	1.00	4,750,000	-	6.25	April 1, 2025	738,197

Below vesting schedule shows Options and RSUs issued to senior management and employees of GT which either vested in 2019 or will be vesting in 2020 and 2021:

Options issued to:	Number	Vesting date	RSUs issued to:	Number	Vesting date
Employees	766,665	January 1, 2019	Employees	1,033,333	January 1, 2019
Employees	766,665	January 1, 2020	Employees	658,334	January 1, 2020
Employees	766,665	January 1, 2021	Employees	658,334	January 1, 2021
Employees	291,667	April 1, 2019	Employees	416,662	April 1, 2019
Employees	291,667	April 1, 2020	Employees	291,669	April 1, 2020
Employees	291,667	April 1, 2021	Employees	291,669	April 1, 2021
Employees	291,668	June 8, 2019	Employees	291,665	June 8, 2019
Employees	291,668	June 8, 2020	Employees	291,667	June 8, 2020
Employees	291,668	June 8, 2021	Employees	291,667	June 8, 2021
Total	**4,050,000**			**4,225,000**	

During the Company's annual general and special meeting on June 20, 2019, shareholders approved to decrease the exercise price of above-mentioned Options from $1.00 to $0.25. This resulted in recognizing an additional $38,177 of employee share based compensation in 2019.

Using the Black-Scholes option pricing model, the following weighted average assumptions were used for the valuation of the original stock options as it was issued in 2018 and the additional employee share based compensation as a result of the 2019 decrease of the exercise price from $1.00 to $0.25:

	June 8, 2018	**June 20, 2019**
Fair value of the Company's common share	$0.569	$0.095
Average risk-free interest rate	1.90%	1.21%
Annualized volatility	42.00%	42.00%
Dividend rate	0.00%	0.00%
Expected weighted average life (years) for options granted to employee	6.25 years	5.79 years

13. OTHER ASSETS

The Company had pre-purchased 1,000,000 KODAKCoins, a blockchain based disintermediated solution to intellectual property licensing for photographs, for consideration of USD $250,000 or CAD $314,200 from WENN Digital, Inc. Due to current market conditions in regard to blockchain and cryptocurrency, the Company determined that these assets were impaired and consequently the full value was written off in 2018.

14. INCOME TAXES

Significant components of current and deferred income tax expense (recovery) are as follows:

	December 31, 2019	**December 31, 2018**
Current tax (expense) recovery	**-**	**-**
Deferred tax:		
Origination and reversal of temporary differences	-	912,778
Change in unrecognized tax assets	-	-
Income tax (recovery) expense	-	912,778

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.50% to the effective tax rates is as follows:

	The year ended December 31, 2019	**The ten month period ended December 31, 2018**
	$	$
Net Income (loss) before of income taxes	(14,093,683)	(24,610,729)
Tax rate	26.5%	26.5%
Income tax (expense) recovery based on combined statutory income tax rate	(3,734,826)	(6,506,630)
Change in tax benefit not recognized	2,449,104	2,706,699
Non deductible expenses	1,285,722	2,887,153
Income tax (recovery) expense	-	(912,778)

The Company's income tax (recovery) is allocated as follows:

	December 31, 2019	**December 31, 2018**
	$	$
Current tax expense (recovery)	-	-
Deferred tax expense (recovery)	-	(912,778)
Total	**-**	**(912,778)**

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through reversal of temporary differences and future taxable profits is probable.

Significant components of unrecognized deferred tax assets are as follows:

	December 31, 2019	December 31, 2018
	$	$
Deferred tax assets:		
Taxable capital and non-capital losses carried forward	5,409,153	2,055,460
Unrealized losses from investments carried at FVTPL	1,284,024	1,532,141
Fixed assets	-	290,785
Share issuance costs	-	473,893
Other	81,382	81,382
Total	6,774,558	**4,433,660**

As at December 31, 2019 and 2018, amounts and expiry dates of tax attributes to be deferred for which no deferred tax asset was recognized were as follows:

Year expired	December 31, 2019	December 31, 2018
	$	$
2039	6,620,221	-
2038	5,834,688	5,834,688
2037	60,935	60,935
2036	67,768	67,768
2035	242,109	242,109
2034	334,274	334,274
2033	81,327	81,327
2032	46,310	46,310
	13,287,632	**6,667,411**

The Company has also a taxable capital loss of $1,008,087 as of December 31, 2019 and 2018 which can be carried forward indefinitely and can be applied against future taxable capital gains.

The operating loss carry forwards are subject to review, and potential adjustment, by tax authorities. Other deductible temporary differences for which tax assets have not been booked are not subject to a time limit, except for share issuance expenses which are amortizable over five years.

15. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share represents net income (loss) for the year divided by the weighted average number of shares outstanding during the year.

Diluted (earnings) loss per share is calculated by dividing the applicable net loss by the sum of the weighted average number of shares outstanding and all additional shares that would have been outstanding if potentially dilutive shares had been issued during the reporting period. The options and RSUs granted by the Company as described in note 11 (Omnibus Equity Incentive Compensation Plan) are anti-dilutive and therefore have not been included in the calculation of diluted earnings per share for the period. However, they may be dilutive in the future.

For year ended December 31, 2019 and the ten-month period ended December 31, 2018, diluted loss per share equals basic loss per share due to the anti-dilutive effect of the dilutive securities.

December 31, 2019

Earnings per share for net income (loss) from continuing operations for the period attributable to the company's shareholders:	**Year ended December 31, 2019**	
	Basic	**Diluted**
Numerator:		
Net income (loss) from continuing operations for the period	(13,963,329)	(13,963,329)
Denominator:		
Weighted average number of common shares	138,207,931	138,207,931
Earnings per share	(0.101)	(0.101)

Earnings per share for net income (loss) and comprehensive income (loss) for the period ttributable to the company's shareholders:	**Year ended December 31, 2019**	
	Basic	**Diluted**
Net income (loss) and comprehensive income (loss) for the period	(14,448,574)	(14,448,574)
Denominator:		
Weighted average number of common shares	138,207,931	138,207,931
Earnings per share	(0.105)	(0.105)

December 31, 2018

Earnings per share for net income (loss) from continuing operations for the period attributable to the company's shareholders:	**Ten month period anded December 31, 2018**	
	Basic	**Diluted**
Numerator:		
Net income (loss) from continuing operations for the period	(21,170,367)	(21,170,367)
Denominator:		
Weighted average number of common shares	115,370,303	115,370,303
Earnings per share	(0.183)	(0.183)

Earnings per share for net income (loss) and comprehensive income (loss) for the period ttributable to the company's shareholders:	**Ten month period anded December 31, 2018**	
	Basic	**Diluted**
Net income (loss) and comprehensive income (loss) for the period	(22,450,560)	(22,450,560)
Denominator:		
Weighted average number of common shares	115,370,303	115,370,303
Earnings per share	(0.195)	(0.195)

16. INTANGIBLE ASSETS AND GOODWILL

On May 24, 2018, the Company obtained a 51% controlling interest in GBD, a business that develops software to support decentralized and intelligent business framework for third party customers. BIG held the remaining 49% interest in GBD. The Company contributed $1,250,000 of cash into GBD for its 51% interest.

On acquisition, the Company determined that the identifiable assets of the business consist of various intangible assets relate to customer contracts and customer relationships and, until the Company can obtain sufficient information to determine the fair value of the intangible assets acquired, the purchase price allocation is as following:

Consideration transferred:	
Fair value of shares of subsidiary issued to non-controlling interests	1,200,980
Less: Cash received	(49)
Intangible assets and goodwill on acquisition	**$1,200,931**

The consideration paid, and non-controlling interest was measured based on the estimated fair value of shares issued to BIG.

During the fourth quarter of 2018, the Company determined that GBD may not be able to sustain its business and was not able to find a reliable way to determine the fair value of intangible assets and goodwill on acquisition. Furthermore, the Company has decided to write off any intangibles or goodwill that was previously recognized. On August 1, 2019, the Company sold its 51% interest in GBD to BIG in exchange for a debenture in the principal amount of $1,250,000 (see notes 5 and 19 for more information).

17. FIXED ASSETS

Depreciation of fixed assets is an estimate of the expected useful life. In order to determine the useful life for the Mining Servers, assumptions are required and may range depending on market conditions and technology changes, availability of hardware and production costs.

The following tables show the breakdown of the Company's fixed assets including the estimated expected useful life, amount of depreciation and impairment for each category during the reporting periods:

During the year ended December 31, 2019	Expected Useful Life (Years)	December 31, 2018	Additions	Depreciation	Sale	Derecognition on disposal of a subsidiary	Loss on sale	December 31, 2019
Office computers and equipment	2	57,965	1,272	(8,576)	(29,040)	(10,406)	(11,215)	-
Furnitures and other fixtures	5	25,482	7,999	(1,150)	-	-	(27,860)	4,471
Mining servers and electrical infrastructure	3	109,136	-	-	(63,920)	-	(45,216)	-
		192,583	9,271	(9,726)	(92,960)	(10,406)	(84,291)	4,471

During the ten month period ended December 31, 2018	Expected Useful Life (Years)	December 31, 2018	Additions	Depreciation	Sale	Derecognition on disposal of a subsidiary	Impairment loss	December 31, 2018
Office computers and equipment	2	-	74,668	(16,703)	-	-	-	57,965
Furnitures and other fixtures	5	-	29,037	(3,555)	-	-	-	25,482
Mining servers and electrical infrastructure	3	-	1,428,580	(260,568)	-	-	(1,058,876)	109,136
		-	1,532,285	(280,826)	-	-	(1,058,876)	192,583

18. RELATED PARTY TRANSACTIONS

Key Management Remuneration

The remuneration of directors and other members of key management personnel during the year ended December 31, 2019 and the ten-month period ended on December 31, 2018 were as follows:

	Ten-month period ended December 31, 2018	Year ended December 31, 2019
Management salaries and fees (*)	1,607,620	1,758,300
Share-based compensation (Omnibus Equity Incentive Compensation Plan)	1,506,077	962,079
Total	**3,113,697**	**2,720,379**

(*) Management salaries and fees' amount in 2019 includes a gross salary amount of $150,000 ($88,343 after income tax and other statutory deductions) which was settled or to be settled with shares paid to the Company's Chief Executive Officer (see note 10 and 21 for more details).

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the Board of Directors of the Company having regard to the performance of individuals and market trends.

Put/Call Agreement (Flexiti)

On July 21, 2018, the Company negotiated the Put/Call Agreement, which was an amendment and restatement of a previous right of first refusal and put option agreement dated June 6, 2018, with two related parties, GCI and 262 Ontario, as described in note 4.

Payments to Globalive Media Inc. / Globalive Capital Inc./ VRG Capital Corp.: On January 1, 2018, March 31, 2018 and April 1, 2018, respectively, GCI, Globalive Media Inc. and VRG Capital Corp. entered into service agreements with the Company to provide the Company with certain functions and supporting roles, resulting in a payment of $53,000 to Globalive Media Inc. during the year ended December 31, 2019 (payments of $40,000 to GCI, $184,500 to Globalive Media Inc. and $48,000 to VRG Capital Corp during the ten month period ended December 31, 2018). Anthony Lacavera, the Company's Chief Executive Officer and one of its Directors, controls Globalive Media Corp. and Globalive Capital Inc., while J.R. Kingsley Ward, the Company's Chairman and one of its Directors, is a Managing Partner of VRG Capital Corp. The Company terminated all the above service agreement and does not expect to incur additional expenses under these agreement beyond the second quarter of 2019.

Senior Secured Debentures of 262: The acquisition of $7,500,000 senior secured convertible debentures of 262 was completed through a series of arm's length transactions, however, the result is that the Company now holds debentures of 262, a related party which is controlled by GCI.

Loan to 262: The Company made a loan of $3,000,000 to 262, a related party which is controlled by GCI, to allow it to participate for its *pro rata* share ($2,666,250) of the Series 2 Class B Preferred Shares of FLX. The loan is secured by a first ranking charge over the shares acquired using the loan proceeds.

Vend-In Assets: The Company entered into an agreement with GCI and 2330573 Ontario Inc. dated May 25, 2018 relating to certain Vend-In Assets transferred by GCI and 2330573 Ontario Inc. to GT in exchange for 19,914,894 GT Shares. The transfer of the Vend-In Assets and the issuance of the shares occurred immediately prior to, and was conditioned on, the completion of the RTO Transaction. The issued shares were recorded at $11,333,261, being the fair value of the securities transferred on the transaction date.

Flexiti preferred shares: The Company receives 15% dividends calculated annually and paid monthly from a $1,000,000 investment in the preferred shares of Flexiti. Payment of dividends was suspended following May 2019.

GT Subscription Receipts: out of a total of $30 million received from the GT Subscription Receipts, $1.7 million were from related party individuals.

P**ayment of an audit associated with FLX acquisition of a loan portfolio from a Canadian chartered bank:** In June 2018, FLX acquired a portfolio of consumer debt from a Canadian chartered bank. In the event the Call Option is exercised, and consequently financial information is needed for regulatory filing requirements, the Management of the Company decided to obtain carve-out audited financial statements for the previous three years. The cost of this audit was $236,498 and the amount was reimbursed to FLX.

19. OTHER LOSSES

The following table shows the breakdown of this balance:

	Year ended December 31, 2019	Ten month period ended December 31, 2018
Impairment loss - intangible assets and goodwill	-	1,200,931
Impairment loss - investment in associates	-	883,024
Impairment loss - other assets	-	314,200
Interest income impairment - Senior debenture of 262	408,239	-
Loss on sale on fixed assets	39,075	-
Foreign exchange loss	11,342	-
Total	**458,656**	**2,398,155**

20. OTHER INCOME

The following table shows the breakdown of this balance:

	Year ended December 31, 2019	Ten month period ended December 31, 2018
Interest income - Senior debenture of 262	-	408,239
Interest income - bank deposits	202,335	283,685
Dividend income - equity investments	62,055	85,069
Foreign exchange gain	-	826
Total	**264,390**	**777,819**

21. SUBSEQUENT EVENTS

The following events took place after December 31, 2019 but prior to the completing of the audited financial statements of the Company:

- **Shares issued to the Company's Chief Executive Officer**: During January 2020, the Company issued common shares to its Chief Executive Officer in satisfaction of his net salary for services rendered during the period from October 1, 2019 to December 31, 2019. The Chief Executive Officer's net salary for the payment period was $44,172, which was paid by issuing 490,796 common shares of the Company at the closing price of such shares on the last day of the Payment Period ($0.09/share).

- **Normal Course Issuer Bid Share Buy-Back Program:** The Company announced its intention to launch a Share Buy-Back Program on January 16, 2020 and received approval from the TSX-V to proceed with the program on January 20, 2020. The Company subsequently retained Canaccord Genuity Corp. to act as its broker to assist with the Share Buy-Back Program and began making purchases on February 3, 2020.

  Under the Share Buy-Back Program, the Company intends to purchase for cancellation up to 7,002,901 common shares, which represents approximately 5.0% of its 140,058,024 currently issued and outstanding common shares. Pursuant to Exchange rules, the Company may not purchase more than 2.0% of its then issued and outstanding common shares in any consecutive 30-day period. Purchases pursuant to the Share Buy-Back Program will terminate on December 31, 2020 or on such earlier date as the Company may complete its purchases or otherwise terminate the bid.

- **New investments:** During January and March 2020, the Company invested an additional USD $235,000 and USD $250,000 into a convertible debenture issued by the same investee as the one mentioned in note 6(b)(i).

- The impact of the novel coronavirus (or **COVID-19**) outbreak on the financial performance of the Company's investments will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions. Since December 31, 2019 there has been significant volatility in markets for equity securities, and the uncertainty around the impact of COVID-19 and various government reactions. These events may impact the fair values of the Company's investments in private companies, the amount of which cannot be reliably determined at this point in time. If the financial markets and/or the overall economy are impacted for an extended period, the Company's investment results may be adversely affected for a period of time into the future.