Globalive Technology Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2020

(Expressed in Canadian dollars)

(Unaudited)

Condensed Interim Consolidated Statements of Financial Position (unaudited)

As at	Notes	September 30, 2020	December 31, 2019
Assets			
Current assets			
Cash		$ 6,750,333	$ 8,860,276
Other receivables		-	18,035
Prepaid expenses		72,522	39,003
Investments	**6**	10,090,873	10,986,585
Total current assets		16,913,728	19,903,899
Non-current assets			
Fixed assets (net of depreciation)	**13**	4,471	4,471
Long term investments	**6**	2,239,771	4,297,181
Total assets		**19,157,970**	**24,205,551**
Liabilities			
Current liabilities			
Accounts payables and accrued liabilities		111,421	152,807
Other liabilities	**3c**	932,327	-
Total current liabilities		1,043,748	152,807
Shareholders' equity			
Share capital	**9**	54,320,800	53,637,737
Share-based payment reserve	**10**	1,312,116	1,611,080
Capital reserve (Normal-Course Issuer Bid program)	**3c**	(932,327)	-
Retained earnings (deficit)		(36,586,367)	(31,196,073)
Total shareholders' equity		18,114,222	24,052,744
		19,157,970	**24,205,551**

Approved on behalf of the Board of Directors

(SIGNED) *"Anthony Lacavera"*

Anthony Lacavera
Director

(SIGNED) *"Kingsley Ward"*

Kingsley Ward
Director

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

Condensed Interim Consolidated Statements of Net and Comprehensive Loss (unaudited)

For the	Notes	nine month period ended September 30, 2020	three month period ended September 30, 2020	nine month period ended September 30, 2019	three month period ended September 30, 2019
Other income	16	52,630	614	397,515	230,730
Other losses	15	(221,767)	(122,307)	(447,839)	-
Realized / unrealized gain (loss) from investments held at fair value through profit or loss	6	(3,232,302)	(26,740)	(7,466,793)	1,465,768
Investment and other income/loss before expenses		(3,401,439)	(148,433)	(7,517,117)	1,696,498
Expenses					
Marketing and public relations		12,328	7,211	135,205	6,121
Employee share based compensation	10	407,600	191,031	731,980	230,099
Office, general and administrative		151,663	80,759	413,896	58,904
Salary and wages		1,105,648	318,186	2,375,277	399,393
Professional fees		311,616	120,986	690,388	110,065
Depreciation of property and equipment		-	-	12,588	-
Total expenses		1,988,855	718,173	4,359,334	804,582
Net income (loss) before taxes for the period		(5,390,294)	(866,606)	(11,876,451)	891,916
Deferred tax recovery (expense)	11	-	-	-	-
Net income (loss) from continuing operations for the period		(5,390,294)	(866,606)	(11,876,451)	891,916
Net income (loss) from discontinued operation (attributable to equity holders of the company)	5	-	-	(485,245)	-
Net income (loss) and comprehensive income (loss) for the period		(5,390,294)	(866,606)	(12,361,696)	891,916
Net income (loss) and comprehensive income (loss) for the period attributable to:					
Globalive Technology Inc. shareholders		(5,390,294)	(866,606)	(12,231,342)	936,048
Non-controlling interests		-	-	(130,354)	(44,132)
Net income (loss) and comprehensive income (loss) for the period		(5,390,294)	(866,606)	(12,361,696)	891,916
Earnings (loss) per share from continuing operations for the period					
Basic	12	**$ (0.772)**	**$ (0.124)**	**$ (1.703)**	**$ 0.135**
Diluted	12	**$ (0.772)**	**$ (0.124)**	**$ (1.703)**	**$ 0.135**
Earnings (loss) per share					
Basic	12	**$ (0.772)**	**$ (0.124)**	**$ (1.773)**	**$ 0.135**
Diluted	12	**$ (0.772)**	**$ (0.124)**	**$ (1.773)**	**$ 0.135**

The accompanying notes are an integral part of these financial statements

Condensed Interim Consolidated Statements of Changes in Equity (unaudited)

For the nine month periods ended September 30, 2020 & 2019

	Notes	Share capital		Share-based payment reserve	Capital reserve (Normal-Course Issuer Bid program)	Retained earnings (deficit)	Total shareholders' equity	Non-controlling interests
		Number	Amount					
Outstanding as at December 31, 2018		6,826,811	52,602,414	1,640,152	-	(16,931,476)	37,311,090	(46,412)
Issue of restricted shares	9	87,083	991,151	(991,151)	-	-	-	-
Share based compensation	10	-	-	731,980	-	-	731,980	-
Net income (loss) for the period		-	-	-	-	(12,231,342)	(12,231,342)	(130,354)
Elimination of non-controlling interest on disposal of a subsidiary		-	-	-		-	-	176,766
Balance September 30, 2019		**6,913,894**	**53,593,565**	**1,380,981**	**-**	**(29,162,818)**	**25,811,728**	**-**
						-	-	-
Outstanding as at December 31, 2019		6,945,445	53,637,737	1,611,080	-	(31,196,073)	24,052,744	-
Issue of shares	9	72,028	750,736	(706,564)	-	-	44,172	-
Shares canceled under the Company's Normal-Course Issuer Bid program		(40,400)	(67,673)	-	-	-	(67,673)	-
Share based compensation	10	-	-	407,600	-	-	407,600	-
Liability under the Company's Normal-Course Issuer Bid program	3c	-	-	-	(932,327)	-	(932,327)	
Net income (loss) for the period		-	-	-	-	(5,390,294)	(5,390,294)	-
Balance September 30, 2020		**6,977,073**	**54,320,800**	**1,312,116**	**(932,327)**	**(36,586,367)**	**18,114,222**	**-**

The accompanying notes are an integral part of these financial statements

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

For the nine month periods ended	Notes	September 30, 2020	September 30, 2019
Cash flows from operating activities			
Net income (loss) and comprehensive income (loss) for the period		**$ (5,390,294)**	**$ (12,361,696)**
Items not affecting cash:			
Change in unrealized (gain) loss from investments held at fair value through profit or loss	6	3,232,302	7,466,793
(Gain) loss on disposal of subsidiary		-	183,978
Loss on sale of fixed assets		-	84,291
Share based compensation under the Omnibus Equity Incentive Plan	10	407,600	731,980
Share based compensation	9	44,172	-
Depreciation of fixed assets	13	-	12,588
Changes in non-cash working capital:			
Other receivables		18,035	506,062
Prepaid expenses		(33,519)	546,322
Receivables from related parties		-	23,232
Accounts payables and accrued liabilities		(41,386)	(932,918)
Net cash used in operating activities		**(1,763,090)**	**(3,739,368)**
Investing Activities			
Purchase of investments	6	-	(642,951)
Purchase of long term investments	6	(663,260)	(3,563,575)
Sale of investments	6	384,080	3,858,214
Sale of fixed assets	13		92,960
Purchase of fixed assets	13	-	(9,271)
Net cash used in investment activities		**(279,180)**	**(264,623)**
Cash flows provided by (used in) financing activities			
Shares cancelled under Company's normal course issuer bid		(67,673)	-
Net cash provided by financing activities		**(67,673)**	**-**
Net decrease in cash during the period		**(2,109,943)**	**(4,003,991)**
Cash - beginning of period		8,860,276	13,436,845
Cash - end of period		**6,750,333**	**9,432,854**

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 "**Formative 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 Formative Transaction, GT's common shares ("**GT Shares**") commenced trading on the TSX Venture Exchange ("**TSX-V**").

Together, Anthony Lacavera, the Company's Chief Executive Officer ("**CEO**"), and Globalive Capital Inc. ("**GCI**") own approximately 2,976,627 common shares of GT, which represents approximately 42.7% of the issued and outstanding common shares of GT (2,889,070 common shares or 41.8% of the outstanding common shares of the Company as at December 31, 2019). GCI also has voting control over up to 2,083,626 additional common shares pursuant to voting agreements entered into with certain shareholders of GT, which represents up to 29.8% of the issued and outstanding common shares of GT (see note 3(h)(i)).

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

2. BASIS OF PRESENTATION

a. Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting of the International Financial Reporting Standards" ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out below.

These unaudited condensed interim consolidated financial statements were approved and authorized for issuance by the board of directors of GT (the "**Board of Directors**") on November 26, 2020.

b. 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**") (up to August 1, 2019).
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.

c. New and amended standards adopted by the Company

The following new standards and amendments have been issued by the IASB and were in effective for the fiscal year beginning January 1, 2020:

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 was effective for the Company on January 1, 2020 and applies 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 were applied prospectively on January 1, 2020 and did not have any 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 were applied prospectively to all business combinations and asset acquisitions on January 1, 2020 and did not have any significant impact on the Company's consolidated financial statements.

3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

The financial position and performance of the Company was particularly affected by the following events and transactions during the three- and nine-month periods ended September 30, 2020:

a. **COVID-19 Pandemic:** 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 have impacted the fair values of the Company's investments in private companies and the amounts recorded in the condensed interim consolidated financial statements are based on the best estimate and information at the reporting date (the Company's management has exercised judgement in deeming the movement in the Russell 2000 index during the Reporting Period is an appropriate proxy for fair value adjustments for certain privately held investments, see note 6 for more details).

   As such, uncertainty about judgments, estimates and assumptions made by management during the preparation of the Company's consolidated financial statements related to potential impacts of the COVID-19 outbreak on the Company's investments could result in a material adjustment to the carrying value of these assets.

b. **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 24,539 common shares of the Company at the closing price of such shares on the last day of the payment period ($1.80/share).

c. **Normal Course Issuer Bid Share Buy-Back Program (the "NCIB Program"):** The Company announced its intention to launch a normal course issuer bid program to buy back some of its common shares 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. (the "**Broker**") to act as its broker to assist with the NCIB Program and began making purchases on February 3, 2020.

   Under the NCIB Program, the Company is able to purchase for cancellation up to 350,145 common shares, which represents approximately 5.0% of its 7,002,901 issued and outstanding common shares on the approval date. Pursuant to TSX-V 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 NCIB Program will terminate on December 31, 2020 or on such earlier date as the Company may complete its purchases or otherwise terminate the bid. The total maximum cost of all common shares acquired under this NCIB Program may not exceed a total of $1,000,000 (the "**Maximum Threshold**").

   Under IFRS, and with the exception of certain circumstances described under the related standard, the Company's obligation under its NCIB Program to purchase its own equity instruments for cash give rise to a contractual obligation that meets the definition of a financial liability. On June 30, 2020 and September 30, 2020, the Company was in possession of material non-public information and could not exercise its rights to either control the Maximum Threshold (i.e. $1,000,000) or to terminate the plan and, as a result, the Company recorded a financial liability equal to the Maximum Threshold amount.

To the extent no share purchases are made under the automatic share repurchase plan during a blackout period, the corresponding debit to this liability, which has been recorded to a share capital reserve, will get reversed into the Company's share capital account once the Company's current blackout period has expired and any material non-public information has been disclosed or expired without any impact on the Company's profit and loss accounts.

Under the NCIB Program, the Broker purchased 40,400 shares for total cost of $67,673 during the nine-month periods ended September 30, 2020 (none were purchased during the three-month period ended September 30, 2020). These shares were subsequently canceled.

d. **New investments:** During January and April 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).

e. **Maturity of a promissory note:** During January 2020, the Company received the proceeds of a matured promissory note issued to the Company by one of the investees mentioned under note 6(a)(iii). The Company received the amount of $108,186.30 representing a combination of the note's principal amount and the related interest.

f. **The Company's annual general and special meeting of the shareholders on June 19, 2020:** On June 22, 2020, the Company announced that each of the resolutions proposed in the management information circular for the Meeting received the requisite shareholder approval. The business approved by the shareholders at the Meeting included:

   (i). Authorization for the Company to amend its articles to affect a consolidation of its common shares on the basis of 1 post-consolidation common share for every 20 pre-consolidation common shares: The Company completed a 20:1 consolidation of its common shares effective June 30, 2020. In these financial statements any reference to a number of shares, a share price or any calculation based on the foregoing values, for any period prior to June 30, 2020, has been retroactively adjusted to take into account this share consolidation. These adjusted values are by necessity approximations and may not fully account for any rounding or truncating that occurred before or as a result of the consolidation to avoid issuing fractional shares of the Company.

   (ii). Authorization for the Company to pay its CEO his net salary for the period from July 1, 2020 to June 30, 2021 quarterly, in arrears, by issuing common shares to him at the then-current market price or by paying him in cash, as determined by the board of directors of the Company from time to time (with the Chief Executive Officer recusing himself from such determinations), and to reserve 128,571 common shares to be used for such purpose.

   (iii). Ratification and re-approval of the Company's 2018 Omnibus Equity Incentive Compensation Plan for the previous year and the coming year, including the "rolling" maximum number of options that can be issued under the plan.

g. **RTO Transaction with Yooma Corp.**: On June 3, 2020, the Company entered into a binding letter of intent with Socati Corp. ("**Socati**") to complete a reverse take-over transaction whereby the Company would acquire all of the issued and outstanding securities of Socati, valued in aggregate at US $25,000,000, in exchange for common shares of the Company. On July 13, 2020, the Company entered into a second binding letter of intent with Yooma Corp. ("**Yooma**") to complete a reverse take-over transaction whereby the Company would acquire all of the issued and outstanding securities of Yooma, valued in aggregate at US $25,000,000, in exchange for common shares of the Company. On September 22, 2020, following discussions between the three parties, the letter of intent between the Company and Socati was terminated and the letter of intent between the Company and Yooma was amended so that the Company and Yooma could focus on completing a two-party reverse takeover transaction as soon as possible (the "**RTO Transaction**").

Concurrently with the initial announcement of the RTO Transaction, a trading halt was imposed on the Company's common shares which will remain in place until the Company is able to disclose certain prescribed details about the RTO Transaction and the anticipated resulting issuer.

h. **Restricted share units ("RSUs"):** During January 2020, the Company issued 32,916 GT Shares and during April 2020, the Company issued a further 14,581 GT Shares for the settlement of vested RSUs (see note 10 for more details). There are also 14,582 RSUs that vested in June 2020 but have not yet been settled as the holders have not yet requested settlement.

On September 11, 2020, the Company announced the granting of 505,000 additional RSUs for common shares of the Company under the Company's 2018 Omnibus Equity Incentive Compensation Plan. The RSUs were granted as an incentive to directors, officers and employees of the Company considered to have key roles to play in the successful negotiation and implementation of the reverse takeover transaction between the Company and Yooma Corp., as described note 3(g), or any other applicable change of control event (the "**Key Participants**").

The newly issued RSUs are each exchangeable for one common share of the Company and will vest on the date the management information circular in respect of the RTO Transaction is mailed out to shareholders (the "**Mailing Date**") or, if the management information circular has not yet been mailed, in three tranches of one-third each, with the first vesting on October 31, 2020, the second vesting one year from the grant date and the final vesting two years from the grant date. Additionally, it is a necessary precondition to the vesting of these restricted share units that they receive any necessary exchange approvals, such that in practice it is not anticipated that they will vest until after the next meeting of the shareholders of the Company in respect of the RTO Transaction.

In connection with RTO Transaction, the Company has also amended the terms of the 60,008 unvested RSUs previously granted to the Key Participants under the Plan to provide that they too vest on the Mailing Date, and has cancelled an aggregate of 63,133 unexercised options for common shares of the Company previously issued to the Key Participants.

4. PUT/CALL AND RIGHT OF FIRST REFUSAL AGREEMENT

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**").

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:

- 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;
- 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:
    - acquire all issued and outstanding common shares of 262 for an aggregate purchase price of up to 250,000 GT Shares;
    - 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 $20.00 per share (amended from $30.00/share in Q4 2018), and junior secured debentures in the aggregate principal amount of $6 million;
    - pay all outstanding principal and interest accrued on the junior secured debentures; and
    - 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;
- 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:
    - acquire all issued and outstanding common shares of 262 for an aggregate purchase price of 666,666 GT Shares;
    - 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 $20.00 per share (amended from $30.00/share in Q4 2018); and
    - pay all outstanding principal and interest accrued on the junior secured debentures; and
    - 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. The right of first refusal expired on June 6, 2019 and the Flexiti Put and Flexiti Call rights each expired on June 6, 2020 without any transactions being completed.

The expiry of these rights has not warranted any change in their valuation, as the Company was already valuing them at $nil.

5. DISCONTINUED OPERATIONS

i. Discontinuation of segment (HyperBlock)

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.

During the financial year ended December 31, 2019, 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 nine-month periods ended September 30, 2020 and 2019:

	Nine month period ended September 30, 2020	Nine month period ended September 30, 2019
Add: Hashrate sales	-	-
Add: mining digital currencies ($nil, 2019: US $182,880)		244,648
Less: Cost of sales		
Management fees	-	(74,286)
Cost of electricity and maintenance	-	(238,958)
Segment profit (loss) during the period	**-**	**(68,596)**
Deduct:		
Unamortized portion of the prepaid management fees paid to HyperBlock	-	(371,433)
Loss on valuation of Mining Servers	-	(45,216)
Net income (loss) from discontinued operation (attributable shareholders of the company)	**-**	**(485,245)**
Net cash provided by (used in) operating activities	-	-
Net cash provided by (used in) investment activities	-	-

6. INVESTMENTS

The Company has made and continues to make strategic investments in existing and potential future partners. The Company carried the following investments in certain technology companies as at September 30, 2020:

Investment name	$	Cost	Estimated Fair Market Value	Ref.
Privately held investments:				
Debt investments	USD	1,779,264	1,989,771	(i)
Debt investments	CAD	11,250,181	250,000	(ii)
Equity investments	CAD	5,922,925	3,811,517	(iii)
Equity investments	USD	6,102,640	6,103,239	(iii)
Warrants to acquire equity investments	CAD	322,138	61,609	(iv)
Warrants to acquire equity investments	USD	197,154	114,508	(iv)
Total Investments		**25,574,302**	**12,330,644**	
Investments classified as current		**12,544,857**	**10,090,873**	
Long term Investments		**13,029,445**	**2,239,771**	

As at December 31, 2019, the financial details of the Company’s investments are described in detail below:

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**	

a. 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, being USD $30,411. The Company also invested an additional USD $725,000 or CAD $1,01,690 during the nine-month periods ended September 30, 2020 (USD $350,000 or CAD $463,575 during the year ended December 31, 2019) with the same investee.

On September 30, 2020, using a “with” and “without” valuation approach, the fair value of the convertible debentures, is USD $1,491,502, or the Canadian equivalent of $1,989,772 (December 31, 2019 - USD $921,760, or the Canadian equivalent of $1,197,695).

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

1. cash burn projections;
2. the expected date of a 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 a 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 matured 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.

The Senior Debentures matured on May 1, 2020 but have not yet been paid and, accordingly, are now also incurring a late charge which, for the Senior Debentures held by the Company, amounts to $345,000/month but has not been accrued for in these financials.

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 $60.00 with average daily trading volume of not less than 12,500 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 the value of these investments should be written down to $nil to reflect the expected current value of their underlying security. No further adjustment to the value of these investments was made during the three-month and nine-month periods ended September 30, 2020.

Loan to 262:

The Company also made a loan of $3,000,000 to 262 in the financial year ended December 31, 2019, 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. During the three-month and nine-month periods ended September 30, 2020, following certain debt and equity financing developments in FLX and Flexiti since the loan was made, and after taking into consideration the uncertainty caused by, and the potential impact of, the COVID-19 pandemic on the business of FLX and Flexiti, the availability of new financing and the condition of capital markets generally, the Company has determined that this loan should be written down to $250,000, reflecting the value of the Class A shares of Flexiti held as security for the loan.

iii. Equity investments:

Since inception, the Company invested in a variety of private equity investments. 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 995,744 GT Shares. 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 September 30, 2020 resulting in an unrealized gain on foreign exchange of CAD $164,856 during the nine-month period ended September 30, 2020 (CAD $212,415 during the nine-month period ended September 30, 2019).

The Company also applied a 4.6% premium, 25.1% premium and 30.9% discount to the fair value of these investments during the third, the second and the first quarter of 2020, respectively. In consideration of the uncertainty caused by, and the potential impact of, the COVID-19 pandemic, this movement was equal to the movement of the Russell 2000 index during the same periods (Russell 2000 index is an index measuring the performance of approximately 2,000 smallest-cap American companies). Accordingly, the Company recorded an unrealized loss of $745,113 during the nine-month period ended September 30, 2020 ($358,753 during the nine-month period ended September 30, 2019).

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 September 30, 2020, the estimated fair value of the warrants denominated in CAD was $61,609 for warrants denominated in CAD and CAD $114,508 for warrants denominated in USD. Accordingly, the Company recognized an unrealized loss of CAD $31,369 during the nine-month period ended September 30, 2020 (unrealized loss of CAD $51,429 during the during the nine-month period ended September 30, 2019).

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

	September 30, 2020	**December 31, 2019**
Average risk-free interest rate	0.38%	1.44%
Annualized volatility	65.00%	65.00%
Dividend rate	0.00%	0.00%
Expected weighted average life (years)	4.10 years	4.85 years

7. FAIR VALUE MEASUREMENT

The Company's financial assets and financial liabilities on September 30, 2020 and December 31, 2019 were as follows:

September 30, 2020:

	Assets at fair value through profit or loss	Amortized cost	Other financial liabilities	Total
Cash		6,750,333		**6,750,333**
Other receivables		-		-
Investments	10,090,873			**10,090,873**
Long term investments	2,239,771			**2,239,771**
Accounts payables and accrued liabilities			111,421	**111,421**

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**

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 September 30, 2020 and December 31, 2019:

September 30, 2020:

		Fair value measurement used			
	Fair Value	Level 1	Level 2	Level 3	Total
FVTPL					
Investments	10,090,873	-	161,741	9,929,132	10,090,873
Long term investments	2,239,771	-	-	2,239,771	2,239,771

December 31, 2019:

		Fair value measurement used			
	Fair Value	Level 1	Level 2	Level 3	Total
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

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 September 30, 2020 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	$ 1,989,772	"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.	($1,893,000)
Warrants	$176,117	Black-Scholes option pricing model	Volatility	+50%	$80,000
Equity share 1	$nil	Multiples of annual sales	Multiple value	+5 multiples	$nil
Equity share 2	$1,000,000	Potential sale valuation	Sale price	-25%	$nil
Equity share 3(*)	$7,150,643	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	$152,853	Discount rate	Discount for lack of marketability	+/- 30%	+/- $46,000
Equity share 6	$954,225	Discount rate	Discount for lack of marketability	+/- 30%	+/- $286,000
Equity share 7	$161,741	Discount rate	Discount for lack of marketability	+/- 30%	+/- $49,000
Equity share 8	$655,136	Discount rate	Discount for lack of marketability	+/- 30%	+/- $197,000
Equity share 9	$1,444,439	Discount rate	Discount for lack of marketability	+/- 30%	+/- $433,000

(*) The fair value of this equity share includes warrants with fair value of $114,508 and convertible debentures with fair value of $1,989,772,275. 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, 2019, 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	$ 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

Security Name	Fair Value	Valuation technique	Unobservable inputs	Reasonable Shift	Change in valuation
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 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, 2019	12,119,493
Sales	(284,080)
Purchases	663,265
Transfers from level 2	2,489,026
Change in FMV	(2,818,801)
Balance as at September 30, 2020	12,168,903

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 September 30, 2020 the Company had $6,750,333 of cash available to settle $1,094,565 of financial liabilities (as at December 31, 2019 the Company had $8,860,276 of cash available to settle $152,807 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 September 30, 2020, 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 $3,699,000 (December 31, 2019 - $4,585,000).

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 September 30, 2020, 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 $7,000 respectively (December 31, 2019 - $87,000).

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 are marked accordingly in the schedule of investments included in note 6 above.

As at September 30, 2020, the approximate impact on the Company if the CAD weakened by 10% in relation to USD would be a gain of $1,419,000 (December 31, 2019 - $828,000). If the Canadian dollar was to strengthen relative to USD, the opposite would occur. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

8. 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 and 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.

9. SHARE CAPITAL

As at September 30, 2020, 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 6,977,073 shares (September 30, 2019 – 6,913,894).

As mentioned in note (3)(f)(i), during the Company's annual general and special meeting of the shareholders on June 19, 2020, shareholders authorized for the Company to amend its articles to affect a consolidation of its common shares on the basis of 1 post-consolidation common share for every 20 pre-consolidation common shares. Any description of share numbers and/or price per share reflected in these financial statements, and any calculations based on the foregoing, including for prior periods, are presented on a consolidated basis.

During January 2020, the Company issued common shares to its CEO in satisfaction of his net salary for services rendered during the period from October 1, 2019 to December 31, 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 24,540 common shares of the Company at the closing price of such shares on the last day of the payment period ($1.80/share).

As mentioned under note 3, and under the Company's NCIB Program, the Broker purchased 40,400 shares during the Reporting Period for total cost of $67,672.90. These shares were subsequently canceled.

During the nine-month period ended September 30, 2020, the Company issued 47,488 GT Shares for the settlement of vested RSUs (see note 10 for more details). During the same period an additional 14,582 RSUs vested but have not yet been settled, pending receipt by the Company of a settlement request from the holders of those RSUs.

10. 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 715,181 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.

During the Company's annual general and special meeting on June 20, 2019, shareholders approved a decrease in the exercise price of all granted and outstanding options from $20.00 to $5.00. This resulted in recognizing an additional $11,474 of employee share-based compensation during the nine-month period ended September 30, 2020 ($nil during the nine-month period ended September 30, 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 $20.00 to $5.00:

	June 8, 2018	**June 20, 2019**
Fair value of the Company's common share	$11.38	$1.90
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

From Granting date to September 11, 2020, the Company has granted 366,250 options and 362,500 RSUs to the Company's officers, employees, and consultants. During the same period, 170,000 options and 153,335 RSUs were forfeited due to employee departures, and there were 149,157 RSUs and 130,825 options that were vested and either settled or remain outstanding.

During the nine-month period ended September 30, 2020, there were 6,250 options and 2,084 RSUs which were forfeited due to employee departures, and there were 62,079 RSUs and 65,421 options that were vested and either settled or remain outstanding. Of the RSUs that vested in this period, 14,582 have not yet been settled for GT Shares, pending receipt by the Company of a request for settlement from the holders of those RSUs.

As mentioned in note 3(h), the Company announced on September 11, 2020 the granting of 505,000 additional RSUs to the Company's directors, officers and employees. The RSUs are each exchangeable for one common share of the Company and will vest on the date the management information circular in respect of the RTO Transaction is mailed out to shareholders or, if the management information circular has not yet been mailed, in three tranches of one-third each, with the first vesting on October 31, 2020, the second vesting one year from the grant date and the final vesting two years from the grant date. Additionally, it is a necessary precondition to the vesting of these restricted share units that they receive any necessary exchange approvals, such that in practice it is not anticipated that they will vest until after the next meeting of the shareholders of the Company in respect of the RTO Transaction. In connection with RTO Transaction, the Company has also amended the terms of the remaining 60,008 unvested RSUs previously granted under the Plan to provide that they will vest on the Mailing Date, and has cancelled an aggregate of 63,133 unexercised options previously issued (31,715 of which will vest during 2021).

As discussed in the previous paragraph, the movement of the share-based payment reserve during the three-month and nine-month periods ended September 30, 2020 was increased by an additional expense of $16,278 resulted from the cancelation of 31,715 options vesting in 2021. The share-based payment reserve was also increased by an additional expense of $84,821 resulted from the granting of the additional 505,000 RSUs. The market price of $1.10 per Company share as of the granting date (September 11, 2020) was used to estimate the value of these additional RSUs.

The following table shows the total movement of the share-based payment reserve during the three-month and nine-month periods ended September 30, 2020 and 2019:

	Share purchase options ($)	Restricted Share units ($)	Total ($)
Nine-months period ended September 30, 2020	87,110	320,490	407,600
Three-months period ended September 30, 2020	42,792	148,239	191,031
Nine-month period ended September 30, 2019	158,461	573,519	731,980
Three-month period ended September 30, 2019	60,385	169,714	230,099

The Company had the following stock options outstanding at September 30, 2020 and December 31, 2019:

	Grant date	Exercise Price	Number Outstanding	Ave remaining Life (years)	Expiry Date	FMV as of grant date $
As at September 30, 2020:	June 8, 2018	5.00	33,710	4.50	April 1, 2025	104,777
As at December 31, 2019:	June 8, 2018	5.00	135,000	5.25	April 1, 2025	314,706

Below vesting schedule shows options and RSUs issued to senior management and employees of GT which either vested in 2019 and 2020 or will be vesting in 2021 and 2022:

Options issued to:	Number	Vesting date	RSUs issued to:	Number	Vesting date
Employees	33,885	January 1, 2019	Employees	51,666	January 1, 2019
Employees	25,421	January 1, 2020	Employees	32,916	January 1, 2020
Employees	21,209	January 1, 2021	Employees	32,918	October 31, 2020
Employees	12,498	April 1, 2019	Employees	20,830	April 1, 2019
Employees	6,771	April 1, 2020	Employees	14,581	April 1, 2020
Employees	4,167	April 1, 2021	Employees	12,504	October 31, 2020
Employees	12,499	June 8, 2019	Employees	14,582	June 8, 2019
Employees	8,333	June 8, 2020	Employees	14,582	June 8, 2020
Employees	8,334	June 8, 2021	Employees	182,917	October 31, 2020
			Employees	168,331	September 11, 2021
			Employees	168,338	September 11, 2022
Total	**133,117**			**714,165**	

11. INCOME TAXES

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

	September 30, 2020	December 31, 2019
Current tax (expense) recovery	-	-
Deferred tax:		
Origination and reversal of temporary differences	-	-
Change in recognized tax assets	-	-
Income tax (recovery) expense	-	-

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

	Nine-month periods ended September 30,	
	2020	2019
	$	$
Net Income (loss) before of income taxes	(5,390,294)	(11,876,451)
Tax rate	26.5%	26.5%
Income tax (expense) recovery based on combined statutory income tax rate	(1,428,428)	(3,142,708)
Change in tax benefit not recognized	856,810	1,202,179
Non-deductible expenses	571,618	1,940,529
Income tax (recovery) expense	-	-

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:

	September 30, 2020	December 31, 2019
	$	$
Deferred tax assets:		
Taxable capital and non-capital losses carried forward	4,086,681	5,409,153
Unrealized losses from investments carried at FVTPL	560,780	1,284,024
Share issuance costs	303,025	-
Other	81,382	81,382
Total	5,031,867	6,774,559

As at September 30, 2020 and December 31, 2019, amounts and expiry dates of tax attributes to be deferred for which no deferred tax asset was recognized were as follows:

Year expired	September 30, 2020	December 31, 2019
	$	$
2040	1,819,101	-
2039	5,740,443	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
	14,226,955	13,287,632

The Company has also taxable capital losses of $2,388,964 as of December 31, 2019 (December 31, 2018-$1,008,087) 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.

12. 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 three-month and nine-month periods ended September 30, 2020 and 2019, diluted loss per share equals basic loss per share due to the anti-dilutive effect of the dilutive securities. The EPS for the comparative period have been restated to reflect the 1 for 20 share consolidation.

September 30, 2020				
Earnings per share for net income (loss) from continuing operations for the period attributable to the company's shareholders:	**Nine-month period ended September 30, 2020**		**Three-month period ended September 30, 2020**	
	Basic	**Diluted**	**Basic**	**Diluted**
Numerator:				
Net income (loss) from continuing operations for the period	(5,390,294)	(5,390,294)	(866,606)	(866,606)
Denominator:				
Weighted average number of common shares	6,985,972	6,985,972	6,977,073	6,977,073
Earnings per share	(0.772)	(0.772)	(0.124)	(0.124)

Earnings per share for net income (loss) and comprehensive income (loss) for the period ttributable to the company's shareholders:	**Nine-month period ended September 30, 2020**		**Three-month period ended September 30, 2020**	
	Basic	**Diluted**	**Basic**	**Diluted**
Numerator:				
Net income (loss) and comprehensive income (loss) for the period	(5,390,294)	(5,390,294)	(866,606)	(866,606)
Denominator:				
Weighted average number of common shares	6,985,972	6,985,972	6,977,073	6,977,073
Earnings per share	(0.772)	(0.772)	(0.124)	(0.124)

September 30, 2019				
Earnings per share for net income (loss) from continuing operations for the period attributable to the company's shareholders:	**Nine-month period ended September 30, 2019**		**Three-month period ended September 30, 2019**	
	Basic	**Diluted**	**Basic**	**Diluted**
Numerator:				
Net income (loss) from continuing operations for the period	(11,746,097)	(11,746,097)	936,048	936,048
Denominator:				
Weighted average number of common shares	6,898,601	6,898,601	6,913,894	6,913,894
Earnings per share	(1.703)	(1.703)	0.135	0.135

Earnings per share for net income (loss) and comprehensive income (loss) for the period ttributable to the company's shareholders:	**Nine-month period ended September 30, 2019**		**Three-month period ended September 30, 2019**	
	Basic	**Diluted**	**Basic**	**Diluted**
Numerator:				
Net income (loss) and comprehensive income (loss) for the period	(12,231,342)	(12,231,342)	936,048	936,048
Denominator:				
Weighted average number of common shares	6,898,601	6,898,601	6,913,894	6,913,894
Earnings per share	(1.773)	(1.773)	0.135	0.135

13. FIXED ASSETS

Depreciation of fixed assets is an estimate of the expected useful life.

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 nine-month period ended September 30, 2020 and the year ended December 31, 2019:

During the nine-month period ended September 30, 2020	Expected Useful Life (Years)	December 31, 2019	Additions	Depreciation	Sale	Derecognition on disposal of a subsidiary	Impairment loss	September 30, 2020
Office computers and equipment	2		-	-	-	-	-	-
Furnitures and other fixtures	5	4,471	-	-	-	-	-	4,471
Mining servers and electrical infrastructure	3		-	-	-	-	-	-
		4,471	-	-	-	-	-	4,471

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	-	(9,095)	(63,920)	-	(36,121)	-
		192,583	9,271	(18,821)	(92,960)	(10,406)	(75,196)	4,471

14. RELATED PARTY TRANSACTIONS

Key Management Remuneration

The remuneration of directors and other members of key management personnel during the three-month and nine-month periods ended on September 30, 2020 and 2019 were as follows:

	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
	September 30, 2020		September 30, 2019	
Management salaries and fees	312,500	981,250	308,608	1,401,978
Share-based compensation	191,031	407,600	230,099	731,980
Total	503,531	1,388,850	538,707	2,133,958

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)

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 $nil and $53,000 to Globalive Media Inc. during the three-month and nine-month periods ended September 30, 2019 ($nil during the three-month and nine-month periods ended September 30, 2020). 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 did not incur additional expenses under these agreement beyond the second quarter of 2019.

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 and to acquire certain other securities of FLX and Flexiti. The loan is secured by a first ranking charge over the shares acquired using the loan proceeds (see note 6(a)(ii)).

15. OTHER LOSSES

The following table shows the breakdown of this balance:

	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended
	September 30, 2020		**September 30, 2019**	
impairment loss on interest income - Senior debenture of 262	-	-	408,116	-
Impairment loss - fixed assets	-	-	39,075	-
Unrealized foreign exchange loss on USD deposits	221,767	122,307	648	-
Total	**221,767**	**122,307**	**447,839**	-

16. OTHER INCOME

The following table shows the breakdown of this balance:

	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended
	September 30, 2020		**September 30, 2019**	
Gain on disposal of GBD	-	-	183,978	183,978
Interest income - bank deposits	44,444	614	151,482	46,752
Interest income - promissory note	8,186	-	-	-
Dividend income - equity investments	-	-	62,055	-
Total	**52,630**	**614**	**397,515**	**230,730**