GreenBank Capital Inc.

Consolidated Financial Statements

For the year ended July 31, 2020
(expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GreenBank Capital Inc.:

Opinion

We have audited the consolidated financial statements of GreenBank Capital Inc. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

January 21, 2021

MOORE

An independent firm
associated with Moore
Global Network Limited

GreenBank Capital Inc.
Consolidated Statements of Financial Position
(expressed in Canadian dollars)

	Notes	As at July 31, 2020 $	2019 $
ASSETS			
Current assets			
Cash		44,676	73,287
Accounts receivable		33,154	2,496
HST recoverable		6,563	52,130
Due from related parties	7	14,126	17,323
Prepaid expense		1,540	-
Total current assets		100,059	145,236
Non-current assets			
Exploration and evaluation assets	8	745,949	619,519
Investments	9	242,537	162,277
Investment in Staminier Limited	10	825,539	-
Investments in associate	11	17,186	20,009
Total non-current assets		1,831,211	801,805
Total assets		1,931,270	947,041
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		393,270	231,979
Due to Staminier	12	55,862	-
Due to related parties	13	316,500	704,050
Total current liabilities		765,632	936,029
Non-current liabilities			
Canada Emergency Business Account loan	14	19,302	-
Convertible loans due to related parties	15	709,855	-
Total non-current liabilites		729,157	-
Total liabilities		1,494,789	936,029
Equity			
Common share capital	16	4,375,072	3,549,533
Reserve for warrants	16	-	256,353
Contributed surplus	16	2,359,632	940,417
Share-based payment reserve	16	545,000	777,372
Foreign currency reserve		-	12,787
Deficit		(7,118,834)	(5,862,050)
Total equity attributed to owners of Greenbank		160,870	(325,588)
Non-controlling interest	17	275,611	336,600
Total equity		436,481	11,012
Total liabilities and equity		1,931,270	947,041

Going concern 2

Approved on behalf of the Board of Directors:

David Lonsdale, Director — Mark Wettreich, Director

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

GreenBank Capital Inc.
Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

	Notes	Years ended July 31, 2020 $	2019 $
Revenue		-	12,500
Expenses			
Consulting expenses	20	98,302	274,675
Foreign exchange loss		3,284	191
Impairment of exploration and evaluation assets	8	15,623	78,290
Investor relations and market research		3,976	6,702
Office and general		55,299	87,986
Payroll	20	137,820	237,698
Professional fees		258,485	140,086
Public company costs	20	116,850	63,237
Stock-based compensation	16	571,865	-
Research and development		14,772	257,528
		1,276,276	1,146,393
Net loss from operations		(1,276,276)	(1,133,893)
Other expenses			
Bad debt recovery (expense)	20	29,168	(30,979)
Gain on sale of investments	9	-	97,500
Fair value adjustment on investments	9	80,260	(120,894)
Fair value adjustment on convertible loans	15	(363,319)	-
Finance expense	14, 15	(23,131)	-
Gain on loss of control of subsidiary		-	5,641
Gain on wind-up of subsidiaries	6	28,971	-
Gain on revaluation of equity interest		-	7,649
Share of loss of associates	9	(2,823)	(15,492)
Reversal of flow-through premium		7,338	11,008
Other income		6,368	-
Net loss from continuing operations		(1,513,444)	(1,179,460)
Net income (loss) from discontinued operations	6	41,868	(71,203)
Net loss		(1,471,576)	(1,250,663)
Other comprehensive income (loss)			
Net movement in foreign currency		13,767	8,691
Reclassification of cumulative foreign currency gain to net loss		(26,554)	-
Comprehensive loss		(1,484,363)	(1,241,972)
Net loss attributed to:			
Equity holders of GreenBank Capital Inc.		(1,285,120)	(977,916)
Non-controlling interest	17	(186,456)	(272,747)
		(1,471,576)	(1,250,663)
Comprehensive loss attributed to:			
Equity holders of GreenBank Capital Inc.		(1,297,907)	(969,225)
Non-controlling interest	17	(186,456)	(272,747)
		(1,484,363)	(1,241,972)
Basic and diluted net loss per share - continuing operations		(0.04)	(0.04)
Basic and diluted net loss per share - discontinued operations		0.00	(0.00)
Basic and diluted net loss per share		(0.04)	0.04
Weighted average number of common shares outstanding - basic and diluted		36,322,058	27,531,637

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

GreenBank Capital Inc.
Consolidated Statements of Cash Flows
(expressed in Canadian dollars)

	Notes	Years ended July 31, 2020 $	2019 $
Operating activities			
Net loss from continuing operations		(1,513,444)	(1,179,460)
Non-cash adjustments for:			
Bad debt (recovery) expense		(29,168)	30,979
Stock-based compensation		571,865	-
Non-cash research and development		-	50,782
Non-cash interest		23,131	-
Income from government assistance		(21,658)	
Foreign currency translation recognized on wind-up of subsidiary		(26,554)	
Gain on sale of investments		-	(97,500)
Fair value adjustment of marketable securities		(80,260)	120,894
Fair value adjustment of convertible loans		363,319	-
Impairment of exploration and evaluation assets		15,623	(78,290)
Gain on revaluation of equity interest		-	(7,649)
Share of loss of associates		2,823	15,492
Reversal of flow-through premium		(7,338)	(11,008)
		(701,661)	(1,155,760)
Net changes in non-cash working capital			
Accounts receivable		(1,668)	(2,387)
HST recoverable		45,567	(18,730)
Prepaid expenses		(1,540)	30,212
Accounts payable and accrued liabilities		113,132	(8,555)
Net cash used in operating activities - continuing operations		(546,170)	(1,155,220)
Net cash used in operating activities - discontinued operations		(11,621)	(29,035)
Net cash used in operating activities		(557,791)	(1,184,255)
Investing activities			
Cash acquired on acquisition of subsidiaries, net of cash paid		-	210,408
Disposition of cash on loss of control of subsidiary		-	(16,653)
Expenditures on exploration and evaluation assets		(95,396)	(167,835)
Proceeds on disposition of investments		-	97,500
Net cash provided by (used in) investing activities		(95,396)	123,420
Financing activities			
Loan proceeds		40,000	-
Advance from Staminier		55,862	-
Due from related parties		3,197	(37,604)
Due to related parties		411,807	573,559
Loan repayments		(11,833)	(2,368)
Shares issued by subsidiary for cash		111,776	
Net cash provided by financing activities		610,809	533,587
Foreign exchange impact on cash		13,767	3,001
Net decrease in cash		(28,611)	(524,247)
Cash, beginning of year		73,287	440,954
Cash, end of year		44,676	(83,293)
Non-cash financing and investing activities	23		

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

GreenBank Capital Inc.
Consolidated Statements of Changes in Equity
(expressed in Canadian dollars)

	Common shares		Reserves			Foreign currency		Non-controlling	
	Number	Amount	Warrants	Share-based payments	Contributed surplus	reserve	Deficit	interest	Total
		$	$	$	$	$	$	$	$
Balance July 31, 2019	27,320,024	3,549,533	256,353	777,372	940,417	12,787	(5,862,050)	336,600	11,012
Acquisition of interest in Staminier	22,494,262	825,539	-	-	-	-	-	-	825,539
Fair value adjustment for convertible loans	-	-	-	-	385,490	-	-	-	385,490
Common shares issued by subsidiary	-	-	-	-	-	-	28,336	98,602	126,938
Reallocation on expiry of stock options	-	-	-	(777,372)	777,372	-	-	-	-
Reallocation on expiry of warrants	-	-	(256,353)	-	256,353	-	-	-	-
Stock-based compensation	-	-	-	545,000	-	-	-	26,865	571,865
Comprehensive loss for the year	-	-	-	-	-	(12,787)	(1,285,120)	(186,456)	(1,484,363)
Balance, July 31, 2020	49,814,286	4,375,072	-	545,000	2,359,632	-	(7,118,834)	275,611	436,481
Balance July 31, 2018	27,201,664	3,531,198	256,353	1,262,928	454,861	4,096	(4,839,238)	(22,739)	647,459
Common shares issued for investment	235,714	70,714	-	-	-	-	-	-	70,714
Common shares owned by subsidiary reacquired	(100,842)	(30,253)	-	-	-	-	-	-	(30,253)
Return of shares	(16,512)	(22,126)	-	-	-	-	-	-	(22,126)
Distribution by Plan of Arrangement	-	-	-	-	-	-	(54,704)	-	(54,704)
Recognition of non-controlling interest on acquisition	-	-	-	-	-	-	-	566,253	566,253
Decocognition of non-controlling interest on deconsolidation	-	-	-	-	-	-	-	(24,359)	(24,359)
Common shares issued by a subsidiary to acquire assets	-	-	-	-	-	-	-	100,000	100,000
Expiry of stock options	-	-	-	(485,556)	485,556	-	-	-	-
Other adjustments to non-controlling interests	-	-	-	-	-	-	9,808	(9,808)	-
Comprehensive loss for the year	-	-	-	-	-	8,691	(977,916)	(272,747)	(1,241,972)
Balance, July 31, 2019	27,320,024	3,549,533	256,353	777,372	940,417	12,787	(5,862,050)	336,600	11,012

(expressed in Canadian dollars)

1. Nature of operations

GreenBank Capital Inc. (the “Company") was incorporated on January 30, 2013 under the laws of the Province of British Columbia. The Company is a public company whose common shares are listed for trading on the Canadian Securities Exchange under the symbol “GBC”, and are also traded in the USA under symbol “OTCMKTS: GRNBF” and in Frankfurt, Germany on the Deutsche Börse under symbol FRA: 2TL. The head office of the Company is located at 100 King Street West, Suite 5700, Toronto, Ontario M5X 1C7.

The primary business of the Company is merchant banking. The Company owns an equity portfolio of small cap investments comprising 10-100% ownership positions:

	Ownership percentage	
	2020	**2019**
	%	**%**
Subsidiaries		
GreenBank Financial Inc.	100.00	100.00
Veterans Financial Group LLC (“Veterans”)	–	100.00
North America Veterans Insurance Services Inc. (“North America”)	–	100.00
Expatriate Assistance Services Inc. (“Expatriate”)	–	100.00
Cannabis Blockchain Inc. (“Cannabis Blockchain”)	–	100.00
Medik Blockchain Inc. (“Medik”)	–	100.00
Kabaddi Games Inc. (“Kabaddi”)	59.50	59.50
Blockchain Evolution Inc. (Blockchain”)	52.50	52.50
Gander Exploration Inc. (Gander”)	34.76	34.76
Buchans Wileys Exploration Inc. (“Buchans”)	25.16	25.16
Ubique Minerals Ltd. (“Ubique”)	22.34	23.51
Associate		
GBC Grand Exploration Inc. (“GBC Grand”)	47.47	47.47
Other		
The Lonsdale Group (“Lonsdale”)	10.00	10.00
Staminier Limited (“Staminier”)	19.00	–
Inside Bay Street Corporation (“Inside Bay Street”)	19.00	19.00
Minfocus Exploration Corporation (“Minfocus”)	11.12	11.12
Reliable Stock Transfer Inc. (“Reliable”)	10.00	10.00

See note 6, *Dissolution of subsidiaries*.

2. Going concern assumption

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has yet to generate significant revenues. As at July 31, 2020, the Company had a working capital deficit of $665,573 (2019 - $790,793) and for the year ended July 31, 2020, the Company recorded a loss of $1,471,576 (2019 - $1,250,663) and incurred a cashflow deficit from continuing operations of $546,170 (2019 - $1,155,220). The working capital deficit, loss and cashflow deficit from continuing operations limit the Company’s ability to fund its operations and to further its merchant banking activities.

The continued operation of the Company is dependent upon the support of the Company’s creditors and the Company’s ability to secure equity financing, loans and advances from related parties to meet its existing obligations and further its merchant banking activities. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. Basis of presentation

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

The financial statements were approved and authorized for issue by the Board of Directors on January 21, 2021.

Basis of measurement

These financial statements have been prepared on the historical cost basis, except for investments in public companies, which are measured at fair value.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Going concern

The Company applied judgment in assessing its ability to continue as a going concern for at least 12 months.

Fair value measurements

The fair value of financial instruments traded in active markets at the balance sheet date is based on their quoted market prices. For all other financial instruments not traded in an active market, fair value may be based on other observable current market transactions involving the same or similar instrument, without modification or repackaging, or is based on a valuation technique which maximizes the use of observable market inputs. Observable market inputs may include interest rate yield curves, foreign exchange rates, and option volatilities. Valuation techniques include comparisons with similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants.

For certain illiquid financial instruments, fair value is determined using valuation techniques in which current market transactions or observable market inputs are not available. Determining which valuation technique to apply requires judgment. The valuation techniques themselves also involve some level of estimation and judgment. The judgments include liquidity considerations and model inputs such as volatilities, correlations, spreads, discount rates, pre-payment rates, and prices of underlying instruments. Any imprecision in these estimates can affect the resulting fair value.

The inherent nature of private equity investing is that the Company's valuation may change over time due to developments in the business underlying the investment. Such fluctuations may be significant depending on the nature of the factors going into the valuation methodology and the extent of change in those factors.

Impairment of exploration and evaluation
Expenditures on exploration and evaluation are initially capitalized with the intent to establish commercially viable reserves. The Company made estimates and applies judgment about future events and circumstances in determining whether the carrying amount of exploration and evaluation exceeds its recoverable amount, including the ability to renegotiate option agreements.

Interest in other entities
At July 31, 2020, the Company had less than 20% voting rights in Lonsdale Group, Reliable, Inside Bay Street, Staminier and Minfocus. Management assessed the involvement of the Company in accordance with *IFRS 10, Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures* and has concluded that it has no significant influence. In making its judgement, management considered the Company's voting rights, the relative size and dispersion of the voting rights held by other shareholders and other relevant facts and circumstances. With respect to the Company’s investment in Staminier, the Company also considered the fact that as at July 31, 2020, the Company did not have representation on the board of directors of Staminier and that other shareholders of Staminier had the current ability to direct its relevant activities.

At July 31, 2020, the Company had a 47.468% interest in GBC Grand. Management assessed the involvement of the Company in accordance with *IFRS 10, Consolidated Financial Statements* and has concluded that it does not have control. In making its judgment, management considered the fact that the remaining 52.532% interest was held by a small number of founding shareholders that are independent of the Company.

At July 31, 2020, the Company had a 22.34% interest in Ubique, a 25.162% interest in Buchans and a 34.758% interest in Gander. Management assessed the involvement of the Company in accordance with *IFRS 10, Consolidated Financial Statements* and has concluded that control was acquired on the acquisition of its additional interests in Ubique and Buchans on October 5, 2018 and Gander on March 27, 2019. In making its judgments, management considered the following:

a) The Company's controlling shareholder also held a significant interest in these entities. The Company considers its controlling shareholder to be a "de facto agent" on the basis that the shareholder is a related party and is reliant on Greenbank for making strategic and operational decisions that impact the relevant activities of these entities. Consequently, the Company has combined the shareholdings of its controlling shareholder with its direct shareholdings in these entities when assessing control;
b) The combined shareholding of the Company and its controlling shareholder is significant, and the shares held by other non-related shareholders is dispersed amongst a large number of shareholders meaning it unlikely that other shareholders could outvote the Company; and
c) The Company has common management with the entities and the majority of the directors of these entities are directors of the Company.

Canada Emergency Business Account loan (“CEBA Loan”)
In determining the initial fair value of the CEBA loan, the Company applied judgment to assume that the Company would repay $30,000 on December 31, 2022 and the Company used a discount rate of 20%, an estimate of its marginal borrowing interest rate.

Convertible loans due to related parties
In determining the fair value of the convertible loans due to related parties, the Company used a discount rate of 20%, an estimate of its marginal borrowing interest rate.

Stock-based compensation and fair value of warrants
The Company uses the Black-Scholes option pricing model in determining stock-based compensation and the fair value of warrants, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility. Consequently, the actual stock-based compensation may vary from the amount estimated.

Deferred income taxes
Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

4. Significant accounting policies
The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has all the following:

(a) power over the investee;
(b) exposure, or rights, to variable returns from its involvement with the investee; and
(c) the ability to use its power over the investee to affect the amount of the investor's returns.

All intercompany transactions and balances are eliminated on consolidation.

Financial instruments
Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company’s financial assets includes cash, accounts receivable, HST recoverable, due from related parties and investments. Cash, accounts receivable, HST recoverable and due from related parties are classified at amortized cost because the Company’s business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding. Investments in public and private companies are classified at fair value through profit and loss.

Financial liabilities include accounts payable and accrued liabilities, due to Staminier Limited, due to related parties, Canada Emergency Business Account loan and convertible loans due to related parties, which were initially measured at fair value and subsequent classified as amortized cost.

Exploration and evaluation

Recognition and measurement
Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs, excluding acquisition costs, are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

Refundable mining tax credits earned in respect of costs incurred in Quebec are recorded as a reduction to exploration and evaluation when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

The recoverability of amounts shown for exploration and evaluation is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review the technical feasibility and commercial viability of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation is first tested for impairment and then reclassified to property, plant and equipment and/or intangibles or expensed to the statement of income (loss) and comprehensive income (loss) to the extent of any impairment. As at July 31, 2020 and 2019, the Company had no property, plant and equipment.

Impairment

Exploration and evaluation is assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

An impairment loss is recognized in the statement of loss and comprehensive loss if the carrying amount of a property exceeds its estimated recoverable amount. The recoverable amount of property used in the assessment of impairment of exploration and evaluation is the greater of its value in use ("VIU") and its fair value less costs of disposal ("FVLCTS"). VIU is determined by estimating the present value of the future net cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For a property that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the property belongs. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount only to the extent that the property's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Decommissioning liabilities

The Company's activities may give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration. Decommissioning obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the date of the statement of financial position. The fair value of the estimated obligation is recorded as a liability with a corresponding increase in the carrying amount of the related asset. The obligation is subsequently adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion costs whereas increases or decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established. At July 31, 2020 and 2019, the Company had no decommissioning liabilities.

Investment in associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power.

An investment in associates is accounted for using the equity method from the date on which the investee becomes an associate to the date that the Company ceases to have significant influence. An equity investment is accounted for under the cost method if it does not provide the investor with a controlling investment, does not provide the investor with the ability to exercise significant influence, does not have readily determinable fair values and is not subject to other industry-specific guidance. At the end of each reporting period, the Company assesses whether there is any objective evidence that its investments in associates are impaired.

Share capital

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

Share-based payments

The Company offers a stock option plan for its officers, directors, employees and consultants. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. When vested stock options expire, previously recognized share-based compensation is not reversed. When stock options are forfeited, previously recognized share-based compensation associated with the unvested portion of the stock options forfeited is reversed.

The fair value of share-based payment transactions to non-employees and other share-based payments including shares issued to acquire exploration and evaluation are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services. The fair value of broker warrants is measured at the date that the Company receives the services.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. No provisions were recorded as at July 31, 2020 and 2019.

Income tax

Income tax expense comprises current and deferred taxes. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share
The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise outstanding warrants and stock options. For the years ended July 31, 2020 and 2019, outstanding stock options and warrants are anti-dilutive.

Change in accounting standards

IFRS 16, Leases ("IFRS 16")
This standard replaces *IAS 17, Leases*. IFRS 16 provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17.

As the Company is not a party to any leases, the adoption of this accounting standard had no impact on these financial statements.

5. Acquisitions

Kabaddi

On January 24, 2018, the Company incubated Kabaddi, a mobile gaming technology company headquartered in Toronto, Canada, which acquired all the rights and title to the software IP of an unfinished mobile game based on the Kabaddi sport for stock. As consideration for its services, the Company received Kabaddi Games common shares valued at $1,900, representing a 19% equity ownership.

On August 21, 2018, the Company increased its ownership in Kabaddi Games to 59.5% by subscribing to a private placement and acquired 1,000,000 common shares of Kabaddi Games at $0.074 per share. The chairman, CFO and another director of Kabaddi Games are directors of the Company.

(expressed in Canadian dollars)

Kabaddi Games did not have the necessary inputs and processes to constitute a business as defined by IFRS 3 *Business Combinations* and was therefore accounted for as an asset acquisition with the assets, liabilities and non-controlling interest recognized as follows:

	$
Consideration	
Cost of existing interest	1,900
Cash invested	74,000
	75,900
Fair value of identifiable assets and liabilities acquired	
Cash	33,238
Due from Greenbank	18,333
Accounts payable	(9,357)
Net assets	42,215
Non-controlling interest	(17,097)
Premium paid over net assets acquired - expensed	50,782
	75,900

Management determined that there was no separately identifiable intangible asset and therefore the excess of the consideration paid over the net monetary assets and liabilities of $50,782 was expensed as a research and development expense.

Ubique

On October 5, 2018, the Company acquired additional shares of Ubique increasing its ownership interest from 14.34% to 23.51%. This resulted in the Company acquiring control of Ubique as the Company's interest, in combination with the interests held by the Company's controlling shareholder and other related parties, being more than combined interests held by a group of non-related founding shareholders of those companies.

As consideration for the additional shares of Ubique, the Company issued 203,738 of its common shares with an estimated fair value of $61,121.

	$
Consideration	
Fair value of existing interest	95,567
Fair value of common shares issued	61,121
	156,688
Fair value of identifiable assets and liabilities acquired	
Cash	251,920
Investment in Greenbank common shares	30,253
HST receivable	25,805
Due from Greenbank	21,178
Due from related party	12,681
Exploration and evaluation assets	372,255
Accounts payable	(36,669)
Flow-through share liability	(11,008)
Net assets	666,415
Non-controlling interest	(509,727)
	156,688

(expressed in Canadian dollars)

Buchans

On October 5, 2018, the Company acquired additional shares of Buchans increasing its ownership interest from 15.39% to 25.16%. This resulted in the Company acquiring control of Buchans as the Company's interest, in combination with the interests held by the Company's controlling shareholder and other related parties, being more than combined interests held by a group of non-related founding shareholders of those companies.

As consideration for the additional shares of Buchans, the Company issued 14,030 of its common shares with an estimated fair value of $4,209.

Buchans did not have the necessary inputs and processes to constitute a business as defined by IFRS 3 *Business Combinations* and was therefore accounted for as an asset acquisition with the assets, liabilities and non-controlling interest recognized as follows:

	$
Consideration	
Fair value of existing interest	6,632
Fair value of shares issued	4,209
	10,841
Fair value of identifiable assets and liabilities acquired	
Cash	88
Due from related party	1,953
Exploration and evaluation assets	75,244
Accounts payable	(5,570)
Flow-through share liability	(28,631)
Net assets	43,084
Non-controlling interest	(32,243)
	10,841

Gander

On March 27, 2019, the Company received additional shares of Gander as payment for $11,000 due from Gander, thereby increasing its ownership interest in Gander from 30.10% to 34.76%. This resulted in the Company acquiring control of Gander, as the Company's interest, in combination with the interests held by the Company's controlling shareholder and other related parties, being more than combined interests held by a group of non-related founding shareholders of those companies.

Gander did not have the necessary inputs and processes to constitute a business as defined by *IFRS 3*, *Business Combinations* and was therefore accounted for as an asset acquisition with the assets, liabilities and non-controlling interest recognized as follows:

	$
Consideration	
Cost of existing interest	15,051
Cost of additional interest	11,000
	26,051
Fair value of identifiable assets and liabilities acquired	
Cash	12,062
Exploration and evaluation assets	2,400
Accounts payable	(3,446)
Net assets	11,016
Non-controlling interest	(7,187)
Premium paid over net assets acquired - expensed	22,222
	26,051

(expressed in Canadian dollars)

6. Dissolution of subsidiaries

At July 31, 2019, the operations of Veterans were discontinued and the company was dissolved on December 28, 2019. The insurance agency related revenues and expenses for the period August 1, 2019 to December 28, 2019 and the year ended July 31, 2019 have been reclassified as discontinued operations and consist of the following:

	August 1, 2020 to December 28, 2019 $	Year ended July 31, 2019 $
Revenues	2,877	78,295
Expenses	8,964	149,498
	(6,087)	(71,203)
Gain from settlement of outstanding payables	47,955	–
Income (loss)	41,868	(71,203)

The Company recorded a gain of $12,825 on the dissolution Veterans.

The subsidiaries of North America, Expatriate, Cannabis Blockchain and Medik were dissolved on June 15, 2020. The Company recorded a gain of $16,546 on dissolution of the subsidiaries.

7. Due from related parties

Due from related parties includes amounts due from companies with directors, officers and shareholders in common. The amounts are unsecured, non-interest bearing and due on demand.

8. Exploration and evaluation assets

	Ubique		Gander		
	Daniels Harbour $	Kapuskasing $	Cripple Creek $	Other $	Total $
Balance, July 31, 2018	–	–	–	32,185	32,186
On acquisition (Note 5)	372,255	–	2,400	75,244	449,899
Staking costs	–	–	–	1,338	1,338
Drilling and development costs	68,992	9,465	–	19,928	98,385
Management fees	96,237	–	–	–	96,237
Recovery of exploration expenses	(38,121)	–	–	–	(38,121)
Claims optioned from KAP	–	110,000	–	–	110,000
Impairment	–	–	(1,708)	(76,582)	(78,290)
Eliminated on deconsolidation	–	–	–	(52,113)	(52,113)
Balance, July 31, 2019	499,362	119,465	692	–	619,519
Option payment					
Cash	–	10,000	–	–	10,000
Common shares of Ubique	–	22,500	–	–	22,500
Drilling and development costs	35,122	79,481	–	–	114,603
Recovery of exploration expenses	(5,050)	–	–	–	(5,050)
Impairment	(14,931)	–	(692)	–	(15,623)
Balance, July 31, 2020	514,503	231,446	–	–	745,949

Daniel's Harbour

The Daniels Harbour Claims consists of 3 Mineral Licenses, comprising 26 Units in the Daniels Harbour area of Newfoundland and Labrador. During the year ended July 31, 2020, the Company opted to let 59 Units lapse and recognised an impairment loss of $14,931. These cancelled units were areas that the Company had not focused on and are not considered a core part of the project. The Company is planning further exploration activity on its core Mineral Licences.

(expressed in Canadian dollars)

Kapuskasing
On February 13, 2019, MinKap Resources Inc. ("MinKap") granted an option which entitles Ubique to earn a 55% or 70% interest in Kapuskasing in western Newfoundland, which comprises 42 claim units covering 1,326 hectares adjacent to Daniel's Harbour. In order to earn its interest, Ubique is required to make payments, issue common shares and incur exploration expenditures as follows:

		Common shares of Ubique		Exploration
	Payments $	Number	Fair value $	expenditures $
To earn a 55% interest				
On signing of agreement (paid and issued)	10,000	500,000	100,000	–
September 15, 2019 (incurred)	–	–	–	100,000
February 12, 2020 (paid and issued)	10,000	500,000	22,500	–
February 12, 2021	–	200,000	–	–
February 28, 2021	–	–	–	200,000
September 1, 2021	40,000	–	–	–
February 28, 2022	–	–	–	300,000
February 12, 2024	–	–	–	400,000
	60,000	1,200,000	122,500	1,000,000
To increase to a 70% interest				
February 28, 2025	–	–	–	400,000
	60,000	1,200,000	122,500	1,400,000

Upon Ubique earning either a 55% or 70% interest, the companies will form a joint venture to continue exploration, or MinKap may elect to grant an option entitling Ubique to earn an additional 5% interest in the property for every additional work expenditure of $100,000 to a limit of 95% interest, at which time, MinKap's interest shall be converted to a 2% net smelter royalty ("NSR"). Ubique will then have the right to buy back 1.75% of the NSR for $2,000,000.

The underlying vendors are entitled to an NSR of 3% of which 2% may be repurchased for $2,000,000. In addition, the underlying vendors are entitled to a bonus payment in the event that the Operator delineates a NI 43-101 compliant resource of a minimum of 5,000,000 tonnes of ore with a grade of at least 7% zinc.

Cripple Creek
As a result of the acquisition of control of Gander on March 27, 2019, the Company acquired Cripple Creek, consisting of 35 claims located 25 km north of the Town of Gander, Newfoundland. During the year ended April 30, 2020, the Company decided not to continue with its interest in Cripple Creek as the mineral licenses expired. Accordingly, the Company recorded an impairment of $692.

9. Investments

	2020 $	2019 $
Shares of Canadian public companies	102,223	102,223
Shares of Canadian private companies	140,314	60,064
	242,537	162,277

Shares in a public company is measured at fair value based on the shares quoted market price at the date of the consolidated statement of financial position. During the year ended July 31, 2020, the Company recognized no loss (2019 - $40,889) in the fair value of its investment in the shares of a public company.

Shares in private companies are recorded at fair value based on the estimated value of the underlying assets and liabilities of the entities or the implied value based on recent financing transactions. During the year ended July 31, 2020, the Company recorded an unrealized gain of $80,260 (2019 – loss of $80,005) on its investments in private companies.

(expressed in Canadian dollars)

On March 21, 2019, the Company sold its investment in portfolio company KYC Technology Inc. for $97,500. The investment had a carrying value of $nil and the Company recorded a gain of $97,500.

10. Investment in Staminier

On March 11, 2020, the Company acquired a 19% interest in Staminier, a United Kingdom-based merchant banking business whose overall strategy is to (a) acquire substantial interests in undervalued fast-growing companies with at least five years of profitability and proven cash flow and (b) provide private and public companies with business advisory, corporate finance and marketing services.

As consideration for its 19% interest in Staminier, the Company issued 22,494,262 common shares recorded at a value of $825,539, being the estimated fair value of the investment. The fair value was estimated based on the fair value of the assets and liabilities held by Staminier. The purchase price is subject to reduction for any reduction in the net asset value of Staminier between July 31, 2019 and the date of the exercise of the call option or put option described herein. On closing, the shareholders of Staminier owned 44.93% of the Company's outstanding common shares.

In accordance with the terms of the share purchase agreement, on closing of the acquisition:

a) Staminier provided the Company with a line of credit of $480,000 for general working capital purposes. See note 12.
b) Amounts due to related parties of $709,855 were converted into 5-year 3% convertible loans. See note 15.
c) Subject to the Company complying with regulatory requirements, including the filing of a prospectus, the Company will have a call option to acquire the remaining 81% of Staminier until February 14, 2021 (extended from September 11, 2020) ("Call Option") in consideration of the issue of 87,789,202 5-year non-interest bearing, non-voting convertible loan notes which grant the holder the right to convert each loan note into one common share at a conversion price of $0.0367 per common share.
d) Staminier will have a put option to sell the remaining 81% of Staminier to the Company from February 14, 2021 (extended from September 12, 2020) to August 14, 2021 (extended from March 11, 2021) ("Put Option") in consideration of the issue of 87,789,202 5-year non-interest bearing, non-voting convertible loan notes which may be converted into common shares at a conversion price of $0.0367 per common share. Until such time as the Company files a prospectus, the notes cannot be converted if any conversion would result in the noteholders owning more than 45% of the outstanding common shares of the Company. Provided the net asset value of Staminier is not less than £2,250,000, the Company undertakes to file a prospectus within 90 days of a request to do so by the noteholders.
e) Staminier has the right to nominate one person to the Company's Board of Directors.
f) Until September 11, 2021, Staminier will have a call option to purchase up to 9,763,073 common shares of the Company owned by a shareholder for $0.30 per common share.
g) Any shareholder owning over 5% of the outstanding common shares of the Company was restricted from selling common shares until September 11, 2020.

11. Investment in associate

As at July 31, 2020, the Company held 47.47% of the outstanding GBC Grand common shares (2019 - 47.74%).

	GBC Grand	Ubique	Buchans	Gander	Total
	$	$	$	$	$
Balance, July 31, 2018	–	121,868	17,782	–	139,650
Recognized on deconsolidation	29,999	–	–	–	29,999
Recognized on acquisition	–	–	–	8,063	8,063
Distribution on plan of arrangement	–	(50,637)	(3,769)	–	(54,406)
Share of loss	(9,990)	(3,772)	(1,367)	(363)	(15,492)
Eliminated on consolidation	–	(67,459)	(12,646)	(7,700)	(87,805)
Balance, July 31, 2019	20,009	–	–	–	20,009
Share of loss	(2,823)	–	–	–	(2,823)
Balance, July 31, 2020	17,186	–	–	–	17,186

(expressed in Canadian dollars)

The following is a summary of the statement of position of GBC Grand and a reconciliation to carrying amounts as at July 31, 2020:

	$
Assets	
Current	
Cash	4,317
Exploration and evaluation	57,325
	61,642
Liabilities and shareholders' equity	
Current	
Accounts payable and accrued liabilities	7,181
Due to the Company	14,125
	21,306
Shareholders' equity	40,336
	61,642

Reconciliation to carrying amount:

Share percentage ownership of GBC Grand	47.47%

	$
Company's share of net assets of GBC Grand	19,147
Difference between the Company's share of net assets of GBC Grand and carrying value	(1,961)
Carrying value of investment in GBC Grand	17,186

The following is a summary of the statement of loss of GBC Grand for the year ended July 31, 2020:

	$
Expenses	
Professional fees	678
Consulting fees	1,625
Public company costs	3,390
General and administrative	255
Loss	5,948

12. Due to Staminier

Staminier will provide the Company with a line of credit of $480,000 for general working capital purposes. Initially, $240,000 ("Initial Loan") will be advanced in 6 bi-weekly instalments of $40,000 and provided the Company is using its best efforts to acquire the remaining 81% interest in Staminier ("Acquisition"), an additional $240,000 ("Supplementary Loan") will be advanced in 9 monthly installments of $26,667. The Initial Loan will bear interest at 5% per annum paid quarterly and in the event the Company completes the Acquisition, the Initial Loan will be interest free. The Supplementary Loan will be interest free. In the event that the Company does not complete the Acquisition, the Initial Loan and Supplementary Loan (collectively, "Loans") shall be repaid on the earlier of the Company raising more than $1,000,000 from the issue of common shares and December 31, 2021. In the event that the Company completes the Acquisition, the Loans shall be repaid on the earlier of the Company raising more than $1,000,000 from the issue of common shares and December 31, 2022. The Loans will be secured by a fixed charge over all the assets of the Company.

At July 31, 2020, the Company has received advances of $55,862.

13. Due to related parties

Due to related parties includes amounts due to companies with directors, officers and shareholders in common. These amounts are unsecured, non-interest bearing and due on demand.

(expressed in Canadian dollars)

14. Canada Emergency Business Account loan

The Government of Canada announced that it will be providing the Canada Emergency Business Account loans ("CEBA Loan") to support Canadian businesses that have been adversely affected by COVID-19. On April 20, 2020, the Company received a CEBA Loan of $40,000. The CEBA Loan is government guaranteed, interest-free until December 31, 2022, and if not repaid by December 31, 2022, it will be extended for an additional 3-year term bearing interest at the rate of 5%. The term loan can be repaid at any time without penalty, and if, $30,000 is repaid by December 31, 2022, the remaining $10,000 will be forgiven.

The Company has initially recognized the fair value of the loan of $18,342 as the present value of principal and interest payments using a discount rate of $20%. The difference between the face value and present value of $21,658 has been recorded as income from government assistance.

A continuity of the CEBA loan is presented below:

	$
Balance, July 31, 2019	–
Advance	40,000
Fair value adjustment to other income	(21,658)
Accretion	960
Balance, July 31, 2020	19,302

15. Convertible loans due to related parties

On March 11, 2020, amounts due to related parties of $709,855 were converted into convertible loans which are unsecured, bear interest at 3% payable annually and are due on March 11, 2025 ("Convertible Loans"). From September 11, 2020 to March 11, 2025, the Convertible Loans are convertible at the option of the holder into common shares at a conversion price equal to the greater of $0.30 per common share and the closing price of the Company's common shares on the conversion date. On March 11, 2025, the Company has the option to redeem the Convertible Loans for cash or require conversion of the Convertible Loans into common shares at a conversion price of $0.30 per common share, providing that the common shares are still listed for trading on the Canadian Stock Exchange or equivalent exchange.

The Convertible Loan is a contract comprised of a loan and a conversion option derivative in respect of option of the holders to convert the Convertible Loan into common shares. The Company has designated the entire contract to be accounted at fair value through profit and loss. The Company has initially recognized the fair value of the contract of $324,365 as the present value of principal and interest payments using a discount rate of $20%. The difference between the face value and present value of $385,490 has been credited to contributed surplus.

On July 28, 2020, the Company completed the restoration of its common shares for trading on the Canadian Securities Exchange and on July 31, 2020, as a consequence of its shares trading above $0.30 per share, the convertible loans were revalued to face value resulting in a loss of $363,319.

A continuity of the convertible loans is presented below:

	$
Balance, July 31, 2018 and 2019	–
Initial recognition	324,365
Interest	22,171
Fair value adjustment	363,319
Balance, July 31, 2020	709,855

(expressed in Canadian dollars)

16. Share capital

Authorized
An unlimited number of common shares without par value
An unlimited number of $0.33 Series C non-voting preferred shares.

Issued
Common shares
The number of issued common shares at July 31, 2020 and July 31, 2019 includes 150,000 common shares that are held by the Company's subsidiary, Blockchain and 100,842 common shares that are held by the Company's subsidiary, Ubique, which have been treated as treasury shares and excluded from the number of outstanding common shares.

On August 14, 2018, the Company received 16,512 shares from the Lonsdale Group, a company that Greenbank holds a 10% investment interest, representing the Company's share in the 165,123 GreenBank shares liquidated by the Lonsdale Group. These shares were returned to treasury and cancelled.

On October 5, 2018, the Company issued 235,714 common shares with an estimated fair value of $0.30 per share to increase its ownership interest in Ubique, Buchans (note 5) and Gander (note 11).

On March 11, 2020, the Company issued 22,494,262 common shares at a value of $825,539 as consideration for its investment in Staminier (Note 10).

Preferred shares
At July 31, 2020, there are no issued preferred shares outstanding. At July 31, 2019, there were 73,340 outstanding $0.33 5% Series C non-voting preference shares ("Series C Shares"), which were owned by Veterans and eliminated on consolidation. Upon the dissolution of Veterans (see note 6), the Series C Shares were returned to the Company and cancelled.

Warrants
A continuity of the Company's outstanding warrants is presented below:

	Weighted-average exercise price $	**Number of warrants**
Balance, July 31, 2018 and July 31, 2019	0.98	471,357
Expired	0.98	(471,357)
Balance, July 31, 2020	–	–

Stock options
The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis. The following table summarizes the activity in stock options over the period.

(expressed in Canadian dollars)

A continuity of the Company's outstanding stock options is presented below:

	Weighted-average exercise price $	**Number of stock options**
Balance, July 31, 2018	0.62	2,499,686
Expired	0.31	(1,706,700)
Balance, July 31, 2019	1.29	792,896
Granted	0.30	2,539,386
Expired	1.29	(792,896)
Balance, July 31, 2020	0.30	2,539,386

On February 4, 2020, the Company granted 2,539,386 stock options to directors and employees, which vested upon grant and entitle the holder to purchase one common share for $0.30 until February 23, 2023. The assumptions for the calculation of the fair value of those stock options using the Black-Scholes option pricing model is presented below:

Date of grant	February 4, 2020
Expiry date	February 4, 2023
Stock options granted	2,539,386
Exercise price	$0.30
Share price	$0.30
Risk-free interest rate	1.44%
Expected volatility based on historical volatility	122%
Expected life of stock options	3 years
Expected dividend yield	0%
Forfeiture rate	0%
Vesting	On date of grant
Fair value	$545,000
Fair value per stock option	$0.21

The Company recognized stock-based compensation of $545,000 in connection with the above grant. In addition, the Company recognized stock-based compensation of $26,865 relating to options granted by its subsidiary, Ubique.

(expressed in Canadian dollars)

17. Non-controlling interests

A continuity of the non-controlling interest by subsidiary is as follows:

	Blockchain	**GBC Grand**	**Kabaddi**	**Ubique**	**Buchans**	**Gander**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance, July 31, 2018	(47,552)	24,813	–	–	–	–	(22,739)
Eliminated on deconsolidation	–	(24,359)	–	–	–	–	(24,359)
Shares issued by subsidiary	–	–	–	100,000	–	–	100,000
Opening balance on acquisition	–	–	17,097	509,727	32,242	7,187	566,253
Share of net profit (loss)	(116,686)	(454)	(29,493)	(64,471)	(56,447)	(5,196)	(272,747)
Dilution of interest in subsidiary and other	21,375	–	–	(31,183)	–	–	(9,808)
Balance, July 31, 2019	(142,863)	–	(12,396)	514,073	(24,205)	1,991	336,600
Shares issued by subsidiary	–	–	–	126,938	–	–	126,938
Share of net profit (loss)	(13,753)	–	(18,655)	(131,539)	(16,561)	(5,950)	(186,456)
Stock-based compensation	–	–	–	26,865	–	–	26,865
Dilution of interest in subsidiary and other	–	–	–	(28,336)	–	–	(28,336)
Balance, July 31, 2020	(156,616)	–	(31,051)	508,001	(40,766)	(3,959)	275,611

At July 31, 2020, Ubique had assets of $835,374 and liabilities of $181,216 (2019 – assets of $720,474 and liabilities of $50,734) and incurred a net loss of $169,384 for the year ended July 31, 2020 (2019 - $83,994). At July 31, 2020, none of the other subsidiaries with a non-controlling interest had significant assets or operations.

18. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair values of cash, accounts receivable, HST recoverable, due from related parties, accounts payable and accrued liabilities, due to Staminier, due to related parties, Canada Emergency Business Account loan and convertible loans due to related parties at July 31, 2020 approximated their respective carrying value due to their short term to maturity.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1: quoted prices in active markets for identical assets and liabilities;
Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
Level 3: inputs for the asset or liability that are not based on observable market data

The company’s investments in private companies (notes 9 and 10) are considered Level 3 in the hierarchy and in public companies are considered Level 1.

(expressed in Canadian dollars)

19. Financial risk management

The Company's activities expose it to a variety of financial risks that arise from its investment, exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of 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 risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is equal to the Company's cash and due from related parties. The Company limits its exposure to credit risk on its cash by holding deposits with high credit quality Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties.

The Company has no revenues and the continued operation of the Company is dependent upon the support of the Company's creditors and the Company's ability to secure equity financing, loans and advances from related parties to meet its existing obligations and further its merchant banking activities (note 2).

The following table sets out financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Accounts payable and accrued liabilities $	Due to Staminier $	Due to related parties $	Canada Emergency Business Account Loan $	Convertible loans due to related parties $	Total $
Less than 1 year	393,270	55,862	316,500	–	–	765,732
1-5 years	–	–	–	19,302	709,855	729,157
More than 5 years	–	–	–	–	–	–
Balance, July 31, 2020	303,768	55,862	406,002	19,302	709,855	1,494,789

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk

The Company is exposed to equity price risk with respect to investments. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its investments in shares of public companies as at July 31, 2020 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by $10,222.

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash in Canadian dollars.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments and the interest rates on financial liabilities are fixed.

Capital management
Capital of the Company consists of common shares, reserve for warrants, contributed surplus, share-based payment reserve, foreign currency reserve and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can make investments for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company has no revenues and the continued operation of the Company is dependent upon the support of the Company's creditors and the Company's ability to secure equity financing, loans and advances from related parties to meet its existing obligations and further its merchant banking activities (note 2). In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

20. Related party transactions and disclosures

	2020 $	2019 $
Revenue		
Consulting income from a company with common directors and shareholders	–	12,500
Expenses		
Consulting fees to a company controlled by a director of the Company	50,030	170,000
Transfer agent fees to a company with common majority shareholders	28,041	35,086
Bad debt expense (recovery) relating to an amount due from a related company as collection was uncertain	(29,168)	29,168

Compensation of key management personnel
The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	Years ended July 31, 2020 $	 2019 $
Salary	–	123,799
Consulting fees	135,000	35,000
	60,000	158,799

See notes 5, 7, 13 and 15 for other related party transactions.

(expressed in Canadian dollars)

21. Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.5% (2019 - 26.5%) to the net loss for the year. The reasons for the difference are as follows:

Provision for income taxes

	2020 **$**	**2019** **$**
Loss before income taxes	(1,471,576)	(1,250,663)
Expected income tax recovery based on statutory rate	(389,968)	(331,426)
Increase (decrease) resulting from:		
Non-deductible expenses	151,372	89,021
Change in deferred tax assets not recorded	238,596	242,405
Deferred income tax recovery	–	–

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized as it is uncertain as to whether there will be sufficient taxable income generated in the future to realize such assets:

	2020 **$**	**2019** **$**
Canadian non-capital losses	3,391,022	2,229,099
United States tax losses	–	169,593
Exploration and evaluation assets	15,623	17,790
Investments	217,423	438,879
	3,624,068	2,855,361

The Canadian non-capital losses expire in 2033 to 2040.

22. Segmented information

The Company has four reportable segments: merchant banking, financial services, software development and mineral exploration.

(expressed in Canadian dollars)

The Company evaluates performance and allocates resources based on profit or loss from operations before income taxes as well as results from operating activities. All the operations are in North America hence no geographical segmental information is provided. Information on reportable segments is as follows:

		As at July 31,
	2020	**2019**
	$	**$**
Segment assets		
Merchant banking	1,136,860	239,670
Financial services	–	178
Software development	280	3,357
Mineral exploration	794,130	703,836
	1,931,270	947,041
Segment liabilities		
Merchant banking	1,065,099	466,478
Financial services	–	169,494
Software development	201,894	215,120
Mineral exploration	227,793	84,937
	1,494,786	936,029

		Years ended July 31,
	2020	**2019**
	$	**$**
Revenue		
Merchant banking	–	12,500
Financial services	–	78,295
Software development	–	–
Mineral exploration	–	–
	–	90,795
Segment income (loss)		
Merchant banking	(1,260,137)	(626,649)
Financial services	57,518	(71,203)
Software development	(74,499)	(369,258)
Mineral exploration	(194,458)	(183,553)
	(1,471,576)	(1,250,663)

23. Non-cash financing and investing activities

		Years ended July 31,
	2020	**2019**
	$	**$**
Issuance of common shares for investments		
Ubique	–	61,121
Buchans	–	4,209
Gander	–	5,381
Staminier	825,539	–
Exploration expenditures in payables	41,657	17,500
Issuance of common shares by subsidiaries for exploration and evaluation assets	22,500	100,000
Return of common shares	–	22,126
Distribution of shares of investments	–	54,704
Conversion of due to related parties to convertible loans	709,855	–

(expressed in Canadian dollars)

24. Subsequent events

On November 9, 2020, GBC Grand sold the Twilite gold property, comprising 65 claims located 14 km southwest of Grand Falls-Windsor, Newfoundland, to TRU Precious Metal Corp. (formerly Trius Investments Inc.) for the following consideration:

Consideration	**$**
Cash	100,000
1,435,000 common shares of TRU at deemed price of $0.25 per common share	358,750
1% net smelter returns royalty from any future mineral production at Twilite, of which 0.5% can be repurchased by TRU for $1,000,000.	
500,000 common shares of TRU if TRU defines at least 500,000 ounces of Au or Au-equivalent in the inferred category in a mineral resource estimate for Twilite and/or claims acquired by the Purchaser within 5 km of Twilite, and a further 500,000 common shares of TRU if TRU defines a further 500,000 ounces of Au or Au-equivalent in such a mineral resource estimate.	
	458,750

On December 31, 2020, Ubique closed a private placement 1,000,000 Units at $0.07 per Unit for gross proceeds of $70,000 and 933,400 Flow Through Units at $0.10 per Flow Through Unit for gross proceeds of $56,004. Each of the Units consists of one common share in the capital of Ubique and one common share purchase warrant, with each whole warrant being exercisable at a price of $0.15 per common share for a period of 24 months from the date of issuance. Each of the Flow Through Units consists of one common share in the capital of Ubique issued on a flow through basis pursuant to the Income Tax Act and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of $0.15 per common share for a period of 24 months from the date of issuance. All the Units subscribed for were for “hard dollar” units and were subscribed for by an officer and director of Ubique.