

# **GreenBank Capital Inc.**

## **Condensed Interim Consolidated Financial Statements**

**January 31, 2021**

(expressed in Canadian dollars)

(unaudited)

### **Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements**

These unaudited condensed interim consolidated financial statements of GreenBank Capital Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

**GreenBank Capital Inc.**  
**Consolidated Statements of Financial Position**

(expressed in Canadian dollars)

(unaudited)

	Notes	January 31, 2021 \$	July 31, 2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		65,953	44,676
Accounts receivable		-	33,154
HST recoverable		32,870	6,563
Due from related parties	4	0	14,126
Prepaid expense		12,250	1,540
<b>Total current assets</b>		<b>111,074</b>	<b>100,059</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	5	883,807	745,949
Investments	6	283,426	242,537
Investment in Staminier Limited	7	825,539	825,539
Investment in associate	8	196,262	17,186
<b>Total non-current assets</b>		<b>2,189,034</b>	<b>1,831,211</b>
<b>Total assets</b>		<b>2,300,108</b>	<b>1,931,270</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		434,869	393,270
Due to Staminier	9	121,097	55,862
Due to related parties	10	399,285	316,500
<b>Total current liabilities</b>		<b>955,251</b>	<b>765,632</b>
<b>Non-current liabilities</b>			
Canada Emergency Business Account loan	11	22,109	19,302
Convertible loans due to related parties	12	709,852	709,855
<b>Total non-current liabilities</b>		<b>731,961</b>	<b>729,157</b>
<b>Total liabilities</b>		<b>1,687,211</b>	<b>1,494,789</b>
<b>Equity</b>			
Common share capital	13	4,375,072	4,375,072
Contributed surplus		2,359,632	2,359,632
Share-based payment reserve		545,000	545,000
Deficit		(6,986,764)	(7,118,834)
<b>Total equity attributed to owners of Greenbank</b>		<b>292,940</b>	<b>160,870</b>
Non-controlling interest	14	319,957	275,611
<b>Total equity</b>		<b>612,897</b>	<b>436,481</b>
<b>Total liabilities and equity</b>		<b>2,300,108</b>	<b>1,931,270</b>
Going concern	2		
Subsequent events	19		

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 Income (Loss) and Comprehensive Income (Loss)

(expressed in Canadian dollars)

(unaudited)

	Notes	3 months ended		6 months ended	
		2021	2020	2021	2020
			\$	\$	\$
<b>Revenue</b>					
Consulting	17	-	-	12,500	-
<b>Expenses</b>					
Consulting		19,324	21,000	42,000	56,302
Management fees		21,178	-	42,178	-
Foreign exchange loss		-	(1)	-	(191)
Investor relations and market research		614	3,226	614	3,976
Office and general		18,195	21,021	28,289	36,890
Payroll		-	39,550	-	91,941
Professional fees		28,718	2,326	43,996	52,331
Public company costs		28,831	54,487	64,958	81,383
Stock-based compensation		-	26,865	-	26,865
Research and development		-	-	-	10,516
Accretion		1,900	-	2,807	-
		118,760	168,474	224,842	360,013
<b>Net loss from operations</b>		(118,760)	(168,474)	(212,342)	(360,013)
<b>Other expenses</b>					
Provision for bad debts		-	(951)	-	(1,907)
Gain on sale of investments		5,851	-	5,851	-
Unrealized gain (loss) on investments		40,889	-	40,889	(20,444)
Share of income (loss) of associate		212,896	(1,213)	206,014	(1,923)
Other income		10,000	29,168	10,000	29,168
<b>Net income (loss) from continuing operations</b>		150,876	(141,470)	50,412	(355,119)
<b>Net income from discontinued operations</b>		-	9,498	-	41,868
<b>Net income (loss) from continuing operations</b>		150,876	(131,972)	50,412	(313,251)
<b>Other comprehensive income (loss)</b>					
Net movement in foreign currency		-	16,126	-	16,262
<b>Comprehensive income (loss)</b>		150,876	(115,846)	50,412	(296,989)
<b>Net loss attributed to:</b>					
Equity holders of GreenBank Capital Inc.		197,258	(71,134)	132,070	191,852
Non-controlling interest		(46,382)	(70,336)	(81,658)	121,399
		150,876	(141,470)	50,412	313,251
<b>Net comprehensive loss attributed to:</b>					
Equity holders of GreenBank Capital Inc.		197,258	(45,510)	132,070	(175,590)
Non-controlling interest		(46,382)	(70,336)	(81,658)	(121,399)
		150,876	(115,846)	50,412	(296,989)
<b>Basic and diluted net loss per share</b>					
<b>Continuing operations</b>		0.00	(0.01)	-	(0.01)
<b>Discontinued operations</b>		-	0.00	-	-
<b>Basic and diluted net loss per share</b>		0.00	(0.00)	-	(0.01)
<b>Weighted average number of common shares</b>					
<b>outstanding - basic and diluted</b>		49,814,286	27,570,866	49,814,286	27,570,866

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)

(unaudited)

	6 months ended	
	January 31,	
	2021	2020
	\$	\$
<b>Operating activities</b>		
Net loss	50,412	(313,251)
Non-cash adjustments for:		
Unrealized gain on investments	(40,889)	20,444
Gain on dissolution of subsidiaries	-	26,865
Accretion	2,807	-
Share of income (loss) of associate	(206,014)	1,923
	(193,684)	(264,019)
Net changes in non-cash working capital		
Accounts receivable	33,154	(92)
HST recoverable	(26,307)	24,273
Prepaid expenses	(10,710)	(13,272)
Amounts payable and other liabilities	41,595	(11,434)
<b>Net cash used in operating activities - continuing operations</b>	(155,952)	(264,544)
<b>Net cash used in operating activities - discontinued operations</b>	-	(41,326)
<b>Net cash used in operating activities</b>	(155,952)	(305,870)
<b>Investing activities</b>		
Return of capital from associate	26,938	-
Expenditures on exploration and evaluation assets	(137,858)	(100,055)
<b>Net cash used in investing activities</b>	(110,920)	(100,055)
<b>Financing activities</b>		
Due from related parties	14,126	(5,455)
Due to related parties	82,785	199,601
Due to Staminier	65,235	-
Loans payable	-	94,802
Subsidiary transactions		
Private placement of common shares	126,004	-
Private placement of units	-	68,000
Exercise of warrants	-	10,000
Exercise of stock options	-	35,000
Share issue costs	-	(1,224)
<b>Net cash provided by financing activities</b>	288,150	400,724
<b>Foreign exchange impact on cash</b>	-	(712)
<b>Net increase in cash</b>	21,278	(5,913)
<b>Cash, beginning of period</b>	44,676	73,287
<b>Cash, end of period</b>	65,954	67,374

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)

(unaudited)

	Common shares		Reserves			Foreign currency reserve \$	Deficit	Non- controlling interest	Total \$
	Number	Amount \$	Warrants \$	Share-based payments \$	Contributed surplus \$				
<b>Balance July 31, 2020</b>	49,814,286	4,375,072	-	545,000	2,359,632	-	(7,118,834)	275,611	436,481
Capital transactions of subsidiary									
Private placement of common shares	-	-	-	-	-	-	-	126,004	126,004
Comprehensive loss for the period	-	-	-	-	-	-	132,070	(81,658)	50,412
<b>Balance, January 31, 2021</b>	49,814,286	4,375,072	-	545,000	2,359,632	-	(6,986,764)	319,957	612,897
<b>Balance, July 31, 2019</b>	27,201,664	3,549,533	256,353	777,372	940,417	12,787	(5,862,050)	336,600	11,012
Capital transactions of subsidiary									
Private placement of flow-through units	-	-	-	-	-	-	-	68,000	68,000
Fair value of warrants issued	-	-	22,447	-	-	-	-	(22,447)	-
Fair value of finder's warrants	-	-	-	-	490	-	-	(490)	-
Exercise of warrants	-	-	-	-	-	-	-	10,000	10,000
Exercise of stock options	-	-	-	-	-	-	-	35,000	35,000
Share issuance costs	-	-	-	-	-	-	-	(1,224)	(1,224)
Allocation of contributed surplus to common shares	-	-	-	-	8,315	-	(17)	18,550	26,848
Expiry of stock options	-	-	-	(590,948)	590,948	-	-	-	-
Expiry of warrants	-	-	(236,491)	-	236,491	-	-	-	-
Comprehensive loss for the period	-	-	-	-	-	16,262	(191,852)	(121,399)	(296,989)
<b>Balance, January 31, 2020</b>	27,201,664	3,549,533	42,309	186,424	1,776,661	29,049	(6,053,919)	322,590	(147,353)

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

### January 31, 2021

(expressed in Canadian dollars)  
(unaudited)

#### 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:

	<b>Ownership percentage</b>	
	<b>January 31, 2021</b>	<b>July 31, 2020 %</b>
<b>Subsidiaries</b>		
GreenBank Financial Inc.	100.00	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	22.34
<b>Associate</b>		
GBC Grand Exploration Inc. ("GBC Grand")	47.47	47.47
<b>Other</b>		
The Lonsdale Group ("Lonsdale")	10.00	10.00
Staminier Limited ("Staminier")	19.00	19.00
Inside Bay Street Corporation ("Inside Bay Street")	19.00	19.00
Minfocus Exploration Corporation ("Minfocus")	8.30	11.12
Reliable Stock Transfer Inc. ("Reliable")	10.00	10.00

#### 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 January 31, 2021, the Company had a working capital deficit of \$620,887 (July 31, 2020 - \$665,573) and for the 6 months ended January 31, 2021, the Company recorded net income from continuing operations of \$50,412 (2020 - net loss of \$355,119) and incurred a cashflow deficit from continuing operations of \$129,014 (2020 - \$264,554). The working capital deficit, net loss from continuing operations 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. Statement of compliance and basis of presentation

#### Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim consolidated financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended July 31, 2020.

These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended July 31, 2020.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on March 31, 2021.

#### Basis of presentation

These condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods, and have been prepared using the accrual basis of accounting, except for cash flow information.

#### Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the functional currency.

### 4. 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.

### 5. Exploration and evaluation assets

	Ubique		Total \$
	Daniels Harbour \$	Kapuskasing \$	
Balance, July 31, 2020	514,503	231,446	745,949
Drilling and development costs	40,787	97,071	137,858
Balance, January 31, 2021	555,290	328,517	883,807

#### *Daniel's Harbour*

Ubique owns Daniel's Harbour consisting of 26 claims around the former Daniel's Harbour zinc mine situated approximately 10 km northeast of the town of Daniel's Harbour, Newfoundland.

### *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:

	Payments \$	Common shares of Ubique		Exploration expenditures \$
		Number	Fair value \$	
<b>To earn a 55% interest</b>				
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 (issued)	–	200,000	–	–
February 28, 2021 (incurred)	–	–	–	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
<b>To increase to a 70% interest</b>				
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.

### **6. Investments**

	January 31, 2021 \$	July 31, 2020 \$
Shares of Canadian public companies	143,112	102,223
Shares of Canadian private companies	140,314	140,314
	283,426	242,537

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 6 months ended January 31, 2021, the Company recognized no unrealized gain of \$40,889 (2020 – unrealized loss of \$20,444) on its investment in 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 6 months ended January 31, 2021 and 2020, the Company recorded no unrealized loss on its investments in private companies.

### **7. Investment in Staminier Limited (“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.



In accordance with the terms of the share purchase agreement:

- a) Staminier has provided the Company with a line of credit of \$480,000 for general working capital purposes. See note 9.
- b) Subject to the Company complying with regulatory requirements, including the possible filing of a prospectus if deemed to be required, the Company has a call option to acquire the remaining 81% of Staminier until April 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.
- c) Staminier has a put option to sell the remaining 81% of Staminier to the Company from April 15, 2021 (extended from September 12, 2020) to October 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.
- d) Staminier has the right to nominate one person to the Company's Board of Directors.

#### 8. Investment in associate

As at January 31, 2021, the Company held 47.47% of the outstanding GBC Grand common shares (July 31, 2020 - 47.74%).

	\$
Balance, July 31, 2020	17,186
Share of income	206,013
Return of capital	(26,938)
<b>Balance, January 31, 2021</b>	<b>196,261</b>

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:

<b>Consideration</b>	<b>\$</b>
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.	
	<b>458,750</b>

The following is a summary of the statement of position of GBC Grand and a reconciliation to carrying amounts as at January 31, 2021:

	\$
<b>Assets</b>	
<b>Current</b>	
Cash	1,968
Investment in TRU Precious Metal Corp.	416,150
	<b>418,118</b>
<b>Liabilities and shareholders' equity</b>	
<b>Current</b>	
Accounts payable and accrued liabilities	545
<b>Shareholders' equity</b>	<b>417,573</b>
	<b>418,118</b>

Reconciliation to carrying amount of GBC Grand:

Share percentage ownership	47.47%
	\$
Company's share of net assets	198,222
Difference between the Company's share of net assets and carrying value	(1,960)
Carrying value of investment	196,261

The following is a summary of the statement of loss of GBC Grand for the 6 months ended January 31, 2021:

	\$
<b>Income</b>	
Gain on sale of mineral properties	458,826
Gain on settlement of accounts payable	6,910
	465,736
<b>Expenses</b>	
Professional fees	2,511
Consulting fees	29,125
General and administrative	113
	31,749
<b>Net income</b>	433,987

#### 9. Due to Staminier

Staminier has provided the Company with a line of credit of \$480,000 for general working capital purposes. Initially, \$240,000 ("Initial Loan") was to 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 January 31, 2021, the Company has received advances of \$121,097.

#### 10. 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.

#### 11. 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 was recorded as income from government assistance.

A continuity of the CEBA loan is presented below:

	\$
Balance, July 31, 2020	19,305
Accretion	1,857
Balance, January 31, 2021	21,162

## 12. 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.

A continuity of the convertible loans is presented below:

	\$
Balance, July 31, 2020 and January 31, 2021	709,855

## 13. 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 January 31, 2021 and July 31, 2020 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.

#### *Preferred shares*

At July 31, 2020 and January 31, 2021, there were no issued preferred shares outstanding.

### **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.

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

	Weighted- average exercise price \$	Number of stock options
Balance, July 31, 2020 and January 31, 2021	0.30	2,539,386

#### 14. Non-controlling interests

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

	<b>Blockchain</b>	<b>Kabaddi</b>	<b>Ubique</b>	<b>Buchans</b>	<b>Gander</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Balance, July 31, 2020	(156,616)	(31,051)	508,001	(40,766)	(3,959)	275,611
Private placement of common shares	–	–	126,004	–	–	126,004
Share of loss	(5,443)	(916)	(59,919)	(7,442)	(7,937)	(81,658)
Balance, January 31, 2021	(162,058)	(31,966)	574,086	(48,208)	(11,896)	319,957

#### 15. 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 January 31, 2021 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 are considered Level 3 in the hierarchy and the investment in a public company is considered Level 1.

#### 16. 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):

	<b>Accounts payable and accrued liabilities</b> \$	<b>Due to Staminier</b> \$	<b>Due to related parties</b> \$	<b>Canada Emergency Business Account Loan</b> \$	<b>Convertible loans due to related parties</b> \$	<b>Total</b> \$
Less than 1 year	434,869	121,097	399,285	–	–	955,251
1-5 years	–	–	–	22,109	709,852	791,961
More than 5 years	–	–	–	–	–	–
<u>Balance, January 31, 2021</u>	<u>434,869</u>	<u>121,097</u>	<u>399,285</u>	<u>22,109</u>	<u>709,852</u>	<u>1,687,211</u>

### **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 January 31, 2021 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by \$14,311.

#### *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 its 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.

### **17. Related party transactions and disclosures**

	<b>6 months ended January 31,</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Consulting from Gander	12,500	–
<b>Expenses</b>		
Transfer agent fees to Reliable	6,577	10,254



**Acquisition of interest in St-Georges Eco-Mining /corp.**

On March 22, 2021, the Company agreed to purchase an initial 1,000,000 common shares of St-Georges Eco-Mining Corp. ("St-Georges") from a significant St-Georges shareholder in exchange for 1,444,444 common shares at \$0.45 per common share and 722,222 warrants entitling the holder to purchase one common share at a price of \$0.50 per common share for 3 years. The Company will also have the right to purchase an additional 500,000 shares at the closing price of on September 30, 2021, subject to a minimum price of \$0.50 per common share, with the purchase price to be paid by the Company issuing common shares at the closing price of the Company's shares on September 30, 2021, subject to a minimum price of \$0.45 per share.

In tandem with the St-Georges investment, the Company has also agreed to purchase a 25% interest in Flex Capital ("Flex"), the producer of the Eflex app, for \$300,000 by acquiring shares issued from treasury representing a 20% interest in Flex and purchasing outstanding shares representing a 5% interest in Flex. The Company will satisfy the purchase price by issuing 222,000 common shares at a price of \$0.45 per share and 111,000 warrants entitling the holder to purchase one common share for \$0.50 for 3 years. Following the investment into Flex, the Company will be entitled to appoint a member to board of Flex and it has been agreed that the Company will act as a lead advisor in any further financing (as well as having a right of first refusal on any subsequent equity issues) and on taking Flex to a public listing.

**Private placement**

On March 25, 2021, the Company completed a non-brokered private placement of 9,926,073 units at a price of \$0.45 per unit for gross proceeds of \$4,458,858. Each unit consists of one common share and one-half of a common share purchase warrant, with each whole warrant entitling the holder to acquire one common share for \$0.50 until March 25, 2024. In connection with the private placement, the Company issued 17,500 units as a finder's agent compensation. Officers of the Company subscribed for 401,667 units. The proceeds of the private placement will be used to make further acquisitions and investments as well as provide general working capital for the Company and its portfolio companies, as required.