

# **GreenBank Capital Inc.**

## **Condensed Interim Consolidated Financial Statements**

**January 31, 2023**

(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	As at January 31, 2023 \$	As at July 31, 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		150,985	192,182
Receivables	4	3,293	2,402
Prepaid expenses		8,568	8,568
<b>Total current assets</b>		<b>162,847</b>	<b>203,152</b>
<b>Non-current assets</b>			
Investments	5	8,529,905	7,302,240
Embedded derivative	6	460,000	220,000
Investment in associates	7	323,235	326,330
Convertible loan due from Staminier	8	7,360,850	-
<b>Total non-current assets</b>		<b>16,673,990</b>	<b>7,848,570</b>
<b>Total assets</b>		<b>16,836,837</b>	<b>8,051,722</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	10	415,310	301,258
Due to Staminier	11 and 12	4,290,758	4,047,428
Due to related parties	12	230,772	251,535
<b>Total current liabilities</b>		<b>4,936,839</b>	<b>4,600,221</b>
<b>Non-current liabilities</b>			
Convertible loan due to related party	12 and 13	446,965	440,360
<b>Total non-current liabilities</b>		<b>446,965</b>	<b>440,360</b>
<b>Total liabilities</b>		<b>5,383,804</b>	<b>5,040,581</b>
<b>Equity</b>			
Common share capital	15	21,837,774	7,979,667
Warrants		1,628,950	1,628,950
Share-based payment reserve		1,179,873	1,179,873
Deficit		(12,874,762)	(7,476,473)
<b>Total equity attributed to owners of Greenbank</b>		<b>11,771,835</b>	<b>3,312,017</b>
Non-controlling interest	16	(318,802)	(300,876)
<b>Total equity</b>		<b>11,453,033</b>	<b>3,011,141</b>
<b>Total liabilities and equity</b>		<b>16,836,837</b>	<b>8,051,722</b>
Going concern	2		
Subsequent event	24		

Approved on behalf of the Board of Directors:

Terry Pullen  
Director

Steve O'Carroll  
Director

# GreenBank Capital Inc.

## Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

(unaudited)

	Notes	3 months ended		6 months ended	
		2023	January 31, 2022	2023	January 31, 2022
			\$	\$	\$
<b>Revenue</b>					
Consulting		-	-	-	50,000
<b>Expenses</b>					
Consulting		-	66,566	-	208,174
Management fees	12	18,000	18,000	36,000	36,000
Director fees	12	12,000	15,000	24,000	31,000
Share-based payment		-	1,005	-	2,011
Investor relations and market research		22,747	15,000	37,747	48,728
Office and general		20,978	(6,883)	36,873	39,285
Professional fees		103,986	35,521	122,776	68,004
Public company costs		19,044	33,925	64,471	77,032
Exploration and evaluation		-	-	-	63,680
Foreign exchange loss (gain)		(492,947)	(11,222)	(486,436)	(7,991)
Loss (gain) on forgiveness of due to related party		(69,538)	-	(69,538)	-
Other income		-	-	(3,067)	-
		(365,730)	166,912	(237,175)	565,923
<b>Net income (loss) from operations</b>		365,730	(166,912)	237,175	(515,923)
<b>Other income (expense)</b>					
Gain (loss) on sale of investments		-	(51,518)	-	(51,518)
Unrealized gain (loss) on investments	5	924,358	246,574	(6,902,504)	396,395
Unrealized gain (loss) on embedded derivative	6	120,000	-	240,000	-
Share of income (loss) of associate	7	(670)	-	(3,095)	(17,766)
Finance costs	17	(71,509)	(75,472)	(138,754)	(144,486)
Finance income	17	582,500	-	1,150,963	-
Reversal of flow-through premium		-	39,970	-	45,797
<b>Net income (loss) before taxation</b>		1,920,408	(7,358)	(5,416,216)	(287,501)
<b>Income tax</b>		-	-	-	-
<b>Net income (loss) after taxation</b>		1,920,408	(7,358)	(5,416,216)	(287,501)
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income (loss)</b>		1,920,408	(7,358)	(5,416,216)	(287,501)
<b>Net income (loss) attributed to:</b>					
Equity holders of GreenBank Capital Inc.		1,938,334	48,126	(5,398,290)	(134,691)
Non-controlling interest		(17,926)	(55,484)	(17,926)	(152,810)
		1,920,408	(7,358)	(5,416,216)	(287,501)
<b>Basic and diluted earnings per share</b>	18	0.017	0.001	(0.056)	(0.002)
<b>Weighted average number of common shares</b>					
<b>outstanding - basic and diluted</b>		113,468,038	59,968,137	97,083,401	59,968,137

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,	
	2023	2022
	\$	\$
<b>Operating activities</b>		
Net loss	(5,416,216)	(287,501)
Non-cash adjustments for:		
Foreign exchange loss (gain)	(486,436)	(8,853)
Finance costs not paid	138,753	144,485
Finance income not paid	(1,150,963)	-
Loss (gain) on sale of investments	-	51,518
Share of loss (income) of associate	3,095	17,766
Unrealized loss (gain) on investments	6,902,501	(396,395)
Unrealized loss (gain) on embedded derivative	(240,000)	-
Reversal of flow-through premium	-	(43,467)
	(249,266)	(522,447)
Net changes in non-cash working capital		
(Decrease)/increase in receivables	(891)	(29,900)
(Decrease)/increase in prepaid expenses	-	(16,681)
(Decrease) Increase in accounts payable and accrued liabilities	114,053	83,932
(Decrease)/increase in deferred revenue	-	(50,000)
<b>Net cash used in operating activities</b>	<b>(136,104)</b>	<b>(535,096)</b>
<b>Investing activities</b>		
Proceeds from loan from Staminier	-	2,606,400
Acquisition of investments	-	(2,606,400)
Proceeds on sale of investments	165,670	149,995
Repayment to Flex	-	(250,000)
Purchase of exploration and evaluation assets	-	(380,972)
Option payment	-	(40,000)
<b>Net cash provided by (used in) investing activities</b>	<b>165,670</b>	<b>(520,977)</b>
<b>Financing activities</b>		
Due to related parties	(20,763)	99,060
Repayment of due to Staminier	(50,000)	-
Repayment of Canada Emergency Business Account loan	-	(40,000)
Subsidiary transactions		
Proceeds from common shares issued	-	478,313
<b>Net cash provided by (used in) financing activities</b>	<b>(70,763)</b>	<b>537,373</b>
<b>Net increase (decrease) in cash</b>	<b>(41,197)</b>	<b>(518,700)</b>
<b>Cash, beginning of period</b>	<b>192,182</b>	<b>1,115,881</b>
<b>Cash, end of period</b>	<b>150,985</b>	<b>597,181</b>
<b>Non-cash financing and investing activities</b>		
Issue of common shares		
Acquisition of interest in Staminier	7,962,107	-
Acquisition of convertible loan due from Staminier	5,796,000	-
Acquisition of investment in Ubique	100,000	-

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		Common shares to be issued	Reserves			Deficit	Non-controlling interest	Total
	Number	Amount		Warrants	Share-based payments	Contributed surplus			
		\$	\$	\$	\$	\$	\$	\$	
<b>Balance, July 31, 2021</b>									
As previously reported	49,814,286	7,207,746	605,000	1,628,950	1,207,540	2,324,966	(10,182,037)	761,352	3,553,516
Impact of prior year adjustments	-	130,840	-	-	-	(2,324,966)	2,194,126	-	-
As restated	49,814,286	7,338,586	605,000	1,628,950	1,207,540	-	(7,987,911)	761,352	3,553,516
Capital transactions of subsidiary									
Common shares issued	-	-	-	-	-	-	-	478,313	478,313
Comprehensive loss for the period	-	-	-	-	-	-	(134,691)	(152,810)	(287,501)
<b>Balance, January 31, 2022 (as restated)</b>	49,814,286	7,338,586	605,000	1,628,950	1,207,540	-	(8,122,602)	1,086,855	3,744,328
<b>Balance July 31, 2022</b>	60,568,979	7,979,667	-	1,628,950	1,179,873	-	(7,476,473)	(300,876)	3,011,141
Acquisition of interest in Staminier	31,848,428	7,962,107	-	-	-	-	-	-	7,962,107
Acquisition of loan to Staminier	20,700,000	5,796,000	-	-	-	-	-	-	5,796,000
Acquisition of investment	645,161	100,000	-	-	-	-	-	-	100,000
Comprehensive loss for the period	-	-	-	-	-	-	(5,398,290)	(17,926)	(5,416,215)
<b>Balance, January 31, 2023</b>	113,762,568	21,837,774	-	1,628,950	1,179,873	-	(12,874,763)	(318,802)	11,453,033

# GreenBank Capital Inc.

## Notes to Condensed Interim Consolidated Financial Statements

### January 31, 2023

(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 United States 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 investing in growth or early-stage companies. The Company owns interests in the following companies:

<b>Subsidiaries</b>	<b>Type of company</b>	<b>Ownership %</b>
GreenBank Financial Inc.	Financial services	100.00
Kabaddi Games Inc.	Developer of mobile application game	59.50
Blockchain Evolution Inc.	Developer of blockchain based apps	52.50
Gander Exploration Inc.	Mineral exploration	34.76
Buchans Wileys Exploration Inc.	Mineral exploration	25.16
<b>Associates</b>		
GBC Grand Exploration Inc. ("GBC Grand")	Mineral exploration	47.47
Flex Capital EHF ("Flex")	Fintech application developer	23.68
<b>Other</b>		
Staminier Limited ("Staminier")	Merchant bank	48.50
Ubique Minerals Ltd. ("Ubique")	Mineral exploration	18.26
We Deliver Local Limited, operating as Beelivery ("Beelivery")	Online grocery delivery platform	5.62
Codikoat Limited ("CodiKoat")	Developer of anti-microbial and anti-viral coating technology	4.86
TRU Precious Metals Corp.	Mineral exploration	0.74
St-Georges Eco-Mining Corp. ("St-Georges")	Mineral exploration	0.64

#### 2. Going concern assumption

These interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation 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. At January 31, 2023, the Company had a working capital deficit of \$4,773,992 (July 31, 2022 - \$4,397,068) and for the 6 months ended January 31, 2023, the Company incurred a loss of \$5,416,216 (2022- \$287,501) and a cashflow deficit from operations of \$136,103 (2022 - \$535,096). The working capital deficit and cashflow deficit limit the Company's ability to fund its operations and to further its investment activities.

In assessing the Company's going concern status, the Directors have taken account of the financial position and performance of the Company, the repayment deadline of December 31, 2023 for the amounts due to Staminier (note 11) and management's prepared cash flow forecasts to November 30, 2023. The Directors have carefully examined all available evidence and believe there to be a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The cashflow forecast includes the deferral of the payment of management fees, director fees and finance expense for the amounts due to Staminier.

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

These condensed interim 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.

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

### 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, 2022.

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, 2022.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on April 3, 2023.

#### 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. Receivables

	January 31, 2023 \$	July 31, 2022 \$
Accounts receivable	1,630	679
HST receivable	1,663	1,723
	<u>3,293</u>	<u>2,402</u>

### 5. Investments

	January 31, 2023 \$	July 31, 2022 \$
Shares of public companies	3,193,750	2,223,747
Shares of private companies	5,336,154	5,078,493
	<u>8,529,905</u>	<u>7,302,240</u>

#### Continuity

	Shares of public companies \$	Shares of private companies \$	Total \$
Balance, July 31, 2022	2,223,747	5,078,493	7,302,238
Acquisitions	100,000	7,962,107	8,062,107
Dispositions	(165,670)	–	(165,670)
Unrealized gain (loss) on investments	1,035,674	(7,938,176)	(6,902,501)
Foreign exchange gain (loss)	–	233,731	233,731
Balance, January 31, 2023	<u>3,193,750</u>	<u>5,336,154</u>	<u>8,529,905</u>

## Carrying values

	January 31, 2023 \$	July 31, 2022 \$
<b>Public</b>		
Ubique (CSE: UBQ)	2,845,765	1,860,436
Queensland (TSXV: OZAU)	–	36,800
St-Georges (CSE: SX)	300,300	261,800
TRU Precious Metals (TSXV: TRU)	47,685	64,711
	<hr/> 3,193,750	<hr/> 2,443,747
<b>Private</b>		
Staminier	–	274,746
Beelivery	4,111,500	3,937,500
Codikoa	1,224,654	866,247
	<hr/> 5,336,154	<hr/> 5,078,493

Shares of public companies are measured at fair value based on the quoted market price at the date of the consolidated statement of financial position.

Shares in private companies are recorded at fair value based on the estimated value of the underlying assets and liabilities of the entities, the implied value based on recent financing transactions or cost, where the Company only recently acquired the investment and there has been no change in the conditions pertaining to the investee company.

### Acquisition of interest in Ubique

On December 7, 2022, the Company subscribed for 666,666 units of Ubique at a price of \$0.15 per unit for total purchase price of \$100,000 settled by the issue of 645,161 common shares of the Company. Each unit consisted of one common share and one common share purchase warrant entitling the holder to purchase one Ubique common share for \$0.20 until December 7, 2024.

### Disposition of investment in Queensland

The Company sold its investment in 408,889 common shares of Queensland for proceeds of \$165,670.

### Staminier

The Company owns a 48.5% interest in Staminier (July 31, 2022 - 19%), a United Kingdom-based investment 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.

On September 23, 2022, the Company issued 31,848,428 common shares with a fair value of \$7,962,107 to acquire a 29.5% interest in Staminier pursuant to the partial exercise of a put option by the shareholders of Staminier.

Until December 31, 2023 (extended from March 31, 2023), the shareholders of Staminier have a put option to sell the remaining 51.5% of Staminier to the Company in consideration of the issue of 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.

### Beelivery

The Company owns a 5.62% interest (July 31, 2022 - 5.62%) in Beelivery, a UK-based, fast-growing online grocery delivery platform.

- the Company has an option to acquire an additional 20% interest in Beelivery for £40,000,000 by subscribing for new shares and/or acquiring existing ones from shareholders until June 25, 2023 and Beelivery (or the selling Beelivery shareholders) has the option to require the Company to pay the £40,000,000 in cash or by issuing common shares of the Company at \$2.00 per share.
- The Company is entitled to and has appointed one director to the board of directors of Beelivery.



## CodiKoat

The Company's interest in CodiKoat was diluted to 4.86% (July 31, 2022 - 5%) as a result of a financing completed by CodiKoat in October 2022. Based on that financing, the Company recognized an unrealized gain of \$298,677 on its investment in CodiKoat.

### 6. Embedded derivative

Embedded derivative consists of 4,000,000 warrants entitling the holder to purchase one common share of Ubique for \$0.075 until July 12, 2023 and 666,666 warrants entitling the holder to purchase one common share of Ubique for \$0.20 until December 7, 2024.

	\$
Fair value, July 31, 2022	220,000
Unrealized gain on embedded derivative	240,000
<u>Balance, January 31, 2023</u>	<u>460,000</u>

### 7. Investment in associate

Set out below is a continuity of the investment in associate of the Company as at January 31, 2023, which, in the opinion of the Directors, is material to the Company. The associate listed below has share capital consisting solely of ordinary shares, which are held directly by the Company. The country of incorporation or registration is also its principal place of business.

	<b>Flex</b>
	<b>\$</b>
Balance, July 31, 2022	326,330
Share of loss	(3,095)
<u>Balance, January 31, 2023</u>	<u>323,235</u>

Associate	Place of business/ country of incorporation	Principal activity	Ownership interest held by the Company	
			January 31, 2023 %	July 31, 2022 %
Flex	Iceland	Application developer	23.68	23.68

### Flex

At January 31, 2023, the Company held a 23.68% interest (July 31, 2022 - 23.68%) of the outstanding common shares of Flex, a fintech application developer. Pursuant to the Investment Agreement:

- the Company has a right of first refusal on any equity fund raising proposed by Flex and if the Company chooses not to exercise its right of first refusal, a pre-emptive right to participate in any issue of shares by Flex;
- as long as it holds not less than 5% of the issued share capital of Flex, the Company will have the right to nominate one person to the board of Flex (and each committee of the board) or at any time there is no such person appointed, to appoint one person to be an observer at each meeting of the board or such committees.
- the Company will be appointed to act (for a reasonable fee) to advise Flex on financing rounds at to take Flex to a public listing in Canada (anticipated to be on the CSE).

Set out below is the summarized financial information for Flex which are accounted for using the equity method.

The following is a summary of the statement of financial position of Flex as at January 31, 2023:

	\$
<b>Assets</b>	
<b>Current</b>	
Cash	1,191
<b>Non-current</b>	
Development costs	72,712
	<u>73,903</u>
<b>Liabilities and shareholders' equity</b>	
<b>Current</b>	
Accounts payable	36,065
<b>Shareholders' equity</b>	37,838
	<u>73,903</u>

The following is a summary of the statement of loss of Flex for the 6 months ended January 31, 2023:

	\$
<b>Expenses</b>	
Salaries and benefits	3,500
Operating costs	9,357
Interest	213
<b>Loss</b>	<u>13,070</u>

The following is a reconciliation to carrying amounts as at January 31, 2023:

Share percentage ownership of Flex	23.68%
	<u>\$</u>
Company's share of net assets of Flex	8,962
Difference between the Company's share of net assets of Flex and carrying value	314,273
Carrying value of investment in Flex	<u>323,235</u>

#### 8. Convertible loan due from Staminier

On September 30, 2022, the Company issued 20,700,000 common shares with a fair value of \$5,796,000 in consideration of an assignment of a convertible loan due from Staminier of £4,975,000 and accrued interest of £499,686 effective August 2, 2022. The convertible loan is unsecured, bears interest at 8% per annum and is due on March 31, 2024 repayable in cash with a 100% premium unless converted. The convertible loan converts into ordinary shares of Staminier at a conversion price set at a 20% discount to the most recent funding round, either at the option of the Company (in circumstances the agreement of one of the other providers of the convertible loan is required) or automatically (depending on the amount raised), if Staminier raises equity funding or in the event of a sale or a listing of the Company, or on maturity.

	£	\$
Balance, July 31, 2022	–	–
Acquisition		
Principal	4,975,000	7,805,775
Accrued interest	499,686	784,007
	<u>5,474,686</u>	<u>8,589,782</u>
Discount	–	(2,793,782)
Purchase price	5,474,686	5,796,000
Interest	196,820	312,829
Effective interest	–	838,135
Foreign exchange gain	–	413,886
Balance, January 31, 2023	<u>5,671,506</u>	<u>7,360,850</u>

The Company recognizes the discount between the face value and purchase price of the convertible loan as effective interest over remaining term of the convertible loan.

## 9. Subsidiaries

The Company's principal subsidiaries at January 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Subsidiary	Place of business/ country of incorporation	Principal activity	Ownership interest held by the Company		Ownership interest held by non-controlling interests	
			2022	2021	2022	2021
			%	%	%	%
GreenBank Financial Inc.	Canada	Dormant	100.00	100.00	—	—
Kabaddi Games Inc.	Canada	Game developer	59.50	59.50	40.50	40.50
Blockchain Evolution Inc.	Canada	Identification-based blockchain developer	52.50	52.50	47.50	47.50
Gander Exploration Inc.	Canada	Mineral exploration	34.76	34.76	65.24	65.24
Buchans Wileys Exploration Inc.	Canada	Mineral exploration	25.16	25.16	74.84	74.84

For the 6 months ended January 31, 2023, non-controlling interest in net loss was \$17,926 (2022 - \$152,810)

## 10. Accounts payable and accrued liabilities

	January 31, 2023	July 31, 2022
	\$	\$
Accounts payable	113,750	103,825
Accruals	312,579	197,432
	426,169	301,257

## 11. Due to Staminier

	January 31, 2023	July 31, 2022
	\$	\$
Canadian dollar loan	456,215	500,215
British pound sterling loan	3,834,543	3,547,213
Total	4,290,758	4,047,428

### Canadian dollar loan

	\$
Balance, July 31, 2022	500,215
Interest	6,000
Repayment	(50,000)
Balance, January 31, 2023	456,215

In consideration of the Company acquiring an interest in Staminier, Staminier provided the Company with an unsecured line of credit of \$480,000 for general working capital purposes. Initially, \$240,000 ("Initial Loan") was advanced, and subsequently, \$240,000 ("Supplementary Loan") was advanced. The Initial Loan bears interest at 5% per annum paid quarterly and in the event the Company completes the acquisition of 100% of the shares of Staminier that are currently subject to a put option to require the Company to purchase them ("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, 2023 (extended from December 31, 2022). 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, 2023 (extended from December 31, 2022). The loans are secured by a fixed charge over all the assets of the Company.

## British pound sterling loan

	£	\$
Balance, July 31, 2022	2,252,199	3,547,213
Interest	79,397	126,148
Foreign exchange loss	–	161,182
Balance, January 31, 2023	2,331,596	3,834,543

The loan bears interest at 7.5% per annum unless the Company completes the Acquisition, in which case, no interest will be payable. In the event of a default in payment of the loan, interest shall apply to the principal and interest due at the time of default. The loan will be repayable on the earlier of when the Company raises more than \$5,200,000 from the issue of common shares and December 31, 2023 (extended from December 31, 2022). The loan is secured by a security interest in the investment in Beelivery.

## 12. Due to related parties and related party transactions

Related party transactions are on an arm's length basis.

### 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.

	January 31, 2023 \$	July 31, 2022 \$
McCarthy Denning Limited, a company controlled by Richard Beresford, a director of the Company	11,020	–
Mark Wettreich, a director of the Company until July 29, 2022	30,758	28,872
Marlborough Management Limited, a company controlled by Miles Nagamatsu, Chief Financial Officer of the Company	149,528	113,528
Reliable Stock Transfer Inc., company controlled by Zara Wettreich, shareholder of the Company	27,072	24,587
XGC Software Inc., a company with directors in common with the Company	–	69,538
Sammiri Capital, a company controlled by Zara Wettreich, shareholder of the Company	911	911
Zara Wettreich, shareholder of the Company	11,483	11,931
Other related parties	–	2,617
	230,772	251,535

### Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. The average number of employees in the year, including directors, was 5 (2022 - 6). There is one employee, other than the directors. Transactions with key management personnel are set out as follows:

	6 months ended January 31, 2023 \$	2022 \$
<b>The Company</b>		
Director fees	24,000	31,000
Management fees	36,000	36,000
<b>Ubique</b>		
Exploration and evaluation	–	45,813
Management fees	–	72,000

## Transactions with other related parties

	6 months ended January 31,	
	2023	2022
	\$	\$
<b>Income</b>		
Interest on convertible loan due from Staminier Limited, an investee company with directors Steve O'Carroll and Terry Pullen, directors of the Company (note 8)	1,150,963	–
<b>Expenses</b>		
Professional fees for legal fees to McCarthy Denning Limited a company controlled by Richard Beresford, a director of the Company	15,962	–
Consulting fees to The Substantia Group Ltd, a company controlled by Terry Pullen, a director of the Company	–	83,401
Transfer agent fees to Reliable Stock Transfer Inc., a company controlled by Zara Wettreich, shareholder of the Company	24,744	18,276
Interest on loans due to Staminier Limited, an investee company with directors Steve O'Carroll and Terry Pullen, directors of the Company (note 11)	132,148	125,095

For other related party transactions, see note 5, *Investments, Investment in Staminier*, note 8, *Convertible loan due from Staminier*, note 11, *Due to Staminier* and note 13, *Convertible loan due to a related party*.

### 13. Convertible loan due to a related party

	\$
Balance, July 31, 2022	440,360
Interest	6,605
Balance, January 31, 2023	446,965

The convertible loan represents advances for working capital purposes from Zara Wettreich, a significant shareholder of the Company, which is unsecured, bears interest at 3% payable annually and is due on March 11, 2025 ("Convertible Loan"). Until March 11, 2025, the Convertible Loan is 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 Loan for cash or require conversion of the Convertible Loan 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.

### 14. Borrowings

	January 31, 2023	July 31, 2022
	\$	\$
Due to Staminier (note 11)	4,290,758	4,047,428
Convertible loan due to a related party (note 13)	446,965	440,360
	4,737,723	4,487,788

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	January 31, 2023	July 31, 2022
	\$	\$
Canadian dollars (note 11 and 13)	903,180	940,575
British pound sterling (note 11)	3,834,543	3,547,213
	4,737,723	4,487,788

## Reconciliation of borrowings

	July 31, 2022 \$	Cash transactions \$	Non-cash transactions \$	January 31, 2023 \$
Due to Staminier, Canadian dollar loan (note 11)	500,215	(50,000)	6,000	456,215
Due to Staminier, British pound sterling loan (note 11)	3,547,213	–	287,329	3,834,542
Convertible loan due to a related party (note 13)	440,358	–	6,605	446,963

## 15. 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, 2023 includes 150,000 common shares that are held by the Company's subsidiary, Blockchain, which have been treated as treasury shares and excluded from the number of outstanding common shares.

#### Preferred shares

At July 31, 2022 and January 31, 2023, there were no preferred shares outstanding.

### Continuity of common shares

	Number	Amount \$
Balance, July 31, 2022	60,568,979	7,979,667
Acquisition of interest in Staminier	31,848,428	7,962,107
Acquisition of loan to Staminier	20,700,000	5,796,000
Acquisition of interest in Ubique	645,161	100,000
Balance, January 31, 2023	113,762,568	21,837,774

### Warrants

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

	Expiry date	Weighted- average exercise price \$	Number of warrants
Balance, July 31, 2022 and January 31, 2023	March 25, 2024	0.50	5,029,870

A summary of the Company's warrants outstanding at January 31, 2023 is presented below:

Exercise price	Expiry date	Number of warrants
\$0.50	March 25, 2024	5,029,870

### 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.

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

	Weighted- average exercise price \$	Number of stock options outstanding and exercisable
Balance, July 31, 2022 and January 31, 2023	0.39	5,085,063

A summary of the Company's outstanding stock options at January 31, 2023 is presented below:

Exercise price	Expiry date	Number of stock options
\$0.30 (expired subsequent to January 31, 2023)	February 4, 2023	2,185,063
\$0.45	February 21, 2024	2,900,000
		5,085,063

## 16. Non-controlling interests

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

	Blockchain \$	Kabaddi \$	Buchans \$	Gander \$	Total \$
Balance, July 31, 2022	(165,636)	(33,720)	(76,900)	(24,620)	(300,876)
Share of net loss	(1,931)	(229)	(8,729)	(7,036)	(17,926)
Balance, January 31, 2023	(167,567)	(33,950)	(85,629)	(31,656)	(318,802)

At January 31, 2023, none of the subsidiaries with a non-controlling interest had significant assets or operations.

## 17. Finance income and costs

	6 months ended January 31,	
	2023	2022
	\$	\$
<b>Finance income</b>		
Convertible loan due from Staminier	1,150,963	—
<b>Finance costs</b>		
Interest on due to Staminier, Canadian dollar loan	6,000	6,000
Interest on due to Staminier, British pound sterling loan	126,148	119,095
Interest on Canada Emergency Business Account loan	—	9,525
Interest on convertible loan due to a related party	6,606	9,866
	138,754	144,486

## 18. Earnings per share

### Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	6 months ended January 31,	
	2023	2022
	\$	\$
Loss attributable to equity holders of the Company	(5,201,945)	(134,691)
Basic weighted average number of common shares	97,093,401	59,968,137
Basic earnings per share	(0.056)	(0.002)

### Diluted

For the 6 months ended January 31, 2023, there are no dilutive common shares. Consequently, earnings per share and diluted earnings per share are the same.

## 19. Financial assets and liabilities

	Amortized cost \$	Fair value through profit and loss \$	Total \$
<i>Financial assets</i>			
Cash	150,985	–	150,985
Receivables	3,293	–	3,293
Investments	–	8,529,905	8,529,905
Embedded derivative	–	460,000	460,000
Convertible loan due from Staminier	7,360,850	–	7,360,850
	<u>7,515,129</u>	<u>8,989,905</u>	<u>16,505,034</u>

	Loans and receivables \$	Fair value through profit and loss \$	Total \$
<i>Financial liabilities</i>			
Accounts payable	415,310	–	415,310
Due to Staminier	4,290,758	–	4,290,758
Due to related parties	219,752	–	219,752
Convertible loan due to a related party	446,965	–	446,965
	<u>5,383,804</u>	<u>–</u>	<u>5,383,804</u>

## 20. 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, receivables, convertible loan due from Staminier, accounts payable and accrued liabilities, due to Staminier and due to related parties at January 31, 2023 approximated their respective carrying value due to their short term to maturity. The convertible loans due to related parties are measured at fair value which was determined to be equivalent to face value as the holder can convert into shares of the Company at market on demand.

### *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 following table presents the Company's financial assets and liabilities that are measured at fair value:

	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit and loss</b>				
Investments in public companies	3,193,750	–	–	3,193,750
Investments in private companies	–	5,336,154	–	5,336,154
Embedded derivative	460,000	–	–	460,000

The Company's investments in public companies and embedded derivative are considered Level 1 as these shares are traded in an active market.

The Company's investments in Beelivery and Codikoat are considered Level 2 as the fair value was estimated based on equity transactions completed by these investee companies.



The Company's investment in Staminier is considered Level 3 as it was determined based on the estimated fair value of Staminier's assets and liabilities, the majority of which are not traded in an active market and one of the assets requires unobservable inputs to measure.

## 21. 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 a Canadian chartered bank with a Standard & Poor's credit rating of AA- on deposits. As credit risk is not material, no sensitivity analysis has been presented.

### 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 revenue 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 investment activities (note 2, *Going concern assumption*).

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>Convertible loan due to a related party</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Less than 1 year	415,310	4,290,758	219,752	–	4,936,839
1-2 years	–	–	–	–	–
2-5 years	–	–	–	446,965	446,965
Over 5 years	–	–	–	–	–
Balance, January 31, 2023	415,310	4,290,758	219,752	446,965	5,383,804

### 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, 2023 had changed by 10%, with all other variables held constant, the unrealized gain (loss) would have decreased or increased by \$319,000.

### *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. The Company retains its cash in Canadian dollars until required for foreign currency transactions. Expenses are incurred in Canadian and British pound sterling. The Company is subject to gains and losses due to fluctuations in these currencies. At January 31, 2023, the Company had investments of £3,240,420 (July 31, 2022 - £3,049,998), convertible loan due from Staminier of £5,671,506 (July 31, 2022 - £nil) and due to Staminier of £2,231,596 (July 31, 2022 - £2,252,199).

The following table details the Company's sensitivity to a 5% increase in the strength of the Canadian against the British pound sterling. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The actual movement in the foreign exchange rate during the reporting period was 10.11%. The sensitivity analysis includes only outstanding British pound sterling denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit (equity) and other equity where the Canadian strengthens 5% against the British pound sterling. For a 5% weakening of the Canadian dollar against the British pound sterling, there would be a comparable impact on the profit and other equity, and the balances below would be positive.

	January 31, 2023 \$	July 31, 2022 \$
Profit and loss	541,000	63,000

### *Interest rate risk*

The Company's exposure to interest rate risk is limited as the interest rates on convertible loan due from Staminier, due to Staminier and convertible loan due to related party are fixed. As interest rate risk is not material, no sensitivity analysis has been presented.

### **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 minimal revenue 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 investment activities (note 2, *Going concern assumption*). 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.

## **22. Segmented information**

The Chief Operating Decision Maker is considered to be the Board of Directors. The Board considers that the Company operates in three segments: investments, software development and mineral exploration.

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 the United Kingdom hence no geographical segmental information is provided. Information on reportable segments is as follows:

	<b>January 31, 2023</b>	<b>July 31, 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>		
Investments	16,833,211	8,027,765
Software development	3,150	3,735
Mineral exploration	476	20,222
	<hr/> 16,836,837	<hr/> 8,051,722
<b>Segment liabilities</b>		
Investments	5,215,559	4,809,312
Software development	122,175	187,905
Mineral exploration	46,070	43,367
	<hr/> 5,383,804	<hr/> 5,040,584
	<b>6 months ended January 31, 2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Segment revenue</b>		
Investments	–	50,000
Software development	–	–
Mineral exploration	–	–
	<hr/> –	<hr/> 50,000
<b>Segment income (loss)</b>		
Investments	(5,389,134)	(19,241)
Software development	(4,633)	(59,527)
Mineral exploration	(22,449)	(208,733)
	<hr/> (5,416,216)	<hr/> (287,501)

### 23. Contingencies

The Company has no contingent liabilities or contingent assets and issued no guarantees.

### 24. Subsequent event

#### Proposed private placement

On March 23, 2023, the Company announced its intention to complete a private placement of up to 1,000,000 units at a price of \$1.20 per unit for gross proceeds of up to \$1,200,000. Each unit will consist of:

- a) 10 common shares of the Company;
- b) 5 common share purchase warrants entitling the holder to purchase one common share of the Company for \$0.20 for 22 months after the closing of the private placement; and
- c) one option to purchase a common share of Ubique for \$0.15 for 22 months after the closing of the private placement.