VICTORY SQUARE TECHNOLOGIES INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2019

December 18, 2020

Victory Square Technologies Inc.
Suite 1080 - 789 West Pender Street
Vancouver, BC V6C 1H2
www.victorysquare.com

TABLE OF CONTENTS

DATE OF INFORMATION

This annual information form (this "**AIF**") is dated as of December 18, 2020. Except as otherwise indicated, the information contained in this AIF is current as of December 31, 2019.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements that are not reported financial results or other historical information are forward-looking statements within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**"). This AIF includes forward-looking statements regarding Victory Square Technologies Inc. and its affiliates (collectively, the "**Group**") and the industries in which it operates, including statements about, among other things, expectations, beliefs, plans, future operations of the Group and origination of additional Portfolio Companies and acquisition opportunities for the Group, business and acquisition strategies, opportunities, objectives, prospects, assumptions, including those related to trends and prospects, and future events and performance. Sentences and phrases containing or modified by words such as "anticipate", "plan", "continue", "estimate", "intend", "expect", "may", "will", "project", "predict", "potential", "targets", "projects", "is designed to", "strategy", "should", "believe", "contemplate" and similar expressions, and the negative of such expressions, are not historical facts and are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Forward-looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. Forward-looking statements are based on information available at the time and/or management's expectations with respect to future events that involve a number of risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. The factors described under the heading "*Risk Factors*", as well as any other cautionary language in this AIF, provide examples of risks, uncertainties and events that may cause the Group's actual results to differ materially from the expectations it describes in its forward-looking statements. Readers should be aware that the occurrence of the events described in these risk factors and elsewhere in this AIF could have an adverse effect on, among other things, the Group's business, prospects, operations, results of operations and financial condition.

Specific forward-looking statements contained in this AIF include, among others, statements, management's beliefs, expectations or intentions regarding the following:

- timelines;
- strategic plans;
- the business and operations of the Group;
- the business, operations, strategies and expectations of the Group;
- the Group's business objectives and discussion of trends affecting the business of the Group;
- the funds available to the Group and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Group;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Group from future contracts;
- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Group.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Group to be materially different from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of members of the Group;
- the current lack of profitability of members of the Group, including the Company;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Group has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Group;
- parameters and assumptions underlying future investments and acquisitions;
- risks relating to investments in equity securities;
- the possibility that the Group will be unable to dispose of illiquid securities;
- risks that the asset classes held in the Group's equity portfolio will underperform the market;
- risks associated with investments in blockchain, healthcare, gaming and other technologies;
- risk the Company's portfolio is too concentrated and not sufficiently diversified;
- risks associated with investments in the technology sector;
- risks associated with investments in small and mid-capitalization companies;
- the Group's operations, investment strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses; and
- the other factors discussed under the heading "*Risks Factors*".

Readers are cautioned that the foregoing list of forward-looking statements should not be construed as being exhaustive.

In making the forward-looking statements in this AIF, the Company has made assumptions regarding general economic conditions, the impact of the novel coronavirus ("**COVID-19**") pandemic on the Group and its operations, strength of relationships with Investees, regulatory oversight and such other risks or factors described in this AIF and from time to time in public disclosure documents of the Group that are filed with securities regulatory authorities.

The Company notes that the dynamic nature of the COVID-19 pandemic and any associated or resulting events and circumstances mean that management can offer no assurance such forward-looking statements will occur or be accurate in the circumstances. Accordingly, readers should not place undue reliance on forward-looking statements, which speaks only to opinions, estimates and assumptions as of the date made. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement and are made as at the date of this AIF. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. If the Company does update one or more forward-looking statements, it is not obligated to, and no inference should be drawn that it will, make additional updates with respect thereto or with respect to other forward-looking statements.

MARKET AND INDUSTRY DATA

Certain market and industry data contained in this AIF may be based upon information from government or other third-party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third-party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. The Company has not independently verified any of the data from government or other third-party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources.

CURRENCY

Unless otherwise indicated, in this AIF all references to "$" are to Canadian dollars and to "US$" are to U.S. dollars.

GLOSSARY OF TERMS

In this AIF, unless the context otherwise requires, the following terms shall have the meanings set forth below:

"**Aspen**" means Aspen Technologies Inc., a Portfolio Company.

"**Auditor**" means Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, the auditor of the Company.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Board**" means the board of directors of the Company.

"**Capaciti**" means Howyl Ventures Inc., doing business as Capaciti, a Portfolio Company.

"**Common Shares**" means the common shares without par value in the capital of the Company.

"**Company**" means Victory Square Technologies Inc.

"**Cloud Advisors**" means Cloud Benefit Solutions Inc., a Portfolio Company.

"**Compression.AI**" means MLVX Technologies Inc., doing business as Compression.AI, a Portfolio Company.

"**CoPilot AI**" means Cassia Research Inc., doing business as CoPilot AI, a Portfolio Company.

"**Covalent**" means Silota Research and Development Inc., a Portfolio Company.

"**CSE**" means the Canadian Securities Exchange.

"**DLT**" means Draft Label Technologies Inc., a Subsidiary incorporated under the federal laws of Canada.

"**F360**" means Fantasy 360 Technologies Inc., a Subsidiary incorporated under the laws of the Province of British Columbia.

"**FEI**" means FansUnite Entertainment Inc., a Portfolio Company.

"**Flo Digital**" means Flo Digital Inc., a Portfolio Company.

"**forward-looking statements**" has the meaning ascribed to it under the heading "*Cautionary Note Regarding Forward- Looking Statements*".

"**GameOn**" means GameOn App Inc.

"**Grow Tech**" means Grow Academy Technologies Inc. (formerly Grow Tech Labs Inc.), a Portfolio Company.

"**IFRS**" means the International Financial Reporting Standards issued by the IFRS Foundation and the International Accounting Standards Board.

"**Incentive Plan**" means the Company's stock option plan, a copy of which can be obtained through the Company's profile on SEDAR.

"**Insider**" has the meaning ascribed to such term under the Securities Act.

"**Investee**" means a Subsidiary or a Portfolio Company.

"**Material Adverse Effect**" has the meaning ascribed to it under the heading "*Risk Factors*".

"**Multapplied**" means Multapplied Networks Inc., a Portfolio Company.

"**NDT**" means Next Decentrum Technologies Inc., a Portfolio Company.

"**PayVida**" means PayVida Solutions Inc., a Portfolio Company.

"**Shape**" means Shape Immersive Inc., a Portfolio Company.

"**Order**" has the meaning set out under the heading "*Executive Officers and Directors – Corporate Cease Trade Orders and Bankruptcies*".

"**OTCQX**" means the OTCQX Market.

"**PDL**" means PDL USA Inc., a Subsidiary incorporated under the laws of the State of Delaware.

"**Portfolio Companies**" means the companies in which the Company holds an interest, as set out under the heading "*Description of the Business – Summary of Operations – Portfolio Companies*" and "**Portfolio Company**" means any one such entity.

"**Safetest COVID-19 Assay Tests**" means the COVID-19 rapid testing kits developed by Safetest Comércio de Diagnósticos Ltd. and acquired by VSH.

"**Securities Act**" means the *Securities Act* (British Columbia).

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval which can be accessed at www.sedar.com.

"**Special Warrant**" has the meaning ascribed to it under the heading "*Description of Capital Structure – Special Warrants*".

"**Subsidiaries**" means the direct and indirect subsidiaries of the Company being, collectively, VSDH, DLT, F360, VSH, V2G, VEI and PDL and "**Subsidiary**" means any one such entity.

"**Taloflow**" means LocoNoco Inc., doing business as Taloflow.AI, a Portfolio Company.

"**V2G**" means V2 Games Inc., a Subsidiary incorporated under the laws of the Province of British Columbia.

"**VEI**" means Victory Entertainment Inc., a Subsidiary incorporated under the laws of the Province of British Columbia.

"**VSDH**" means VS Digital Health Inc., a Subsidiary incorporated under the laws of the Province of British Columbia.

"**VSH**" means Victory Square Health Inc., a Subsidiary incorporated under the laws of the Province of British Columbia.

CORPORATE STRUCTURE

General

The Company was incorporated under the BCBCA on February 10, 2015, under the name "Davita Capital Inc.". The Company changed its name to "Fantasy 6 Sports Inc." on September 22, 2015, and then to "Victory Square Technologies Inc." on May 24, 2017. The Company is listed on the CSE and trades under the symbol "VST". The Company commenced trading on the OTCQX under the symbol "FNTYF" on May 31, 2016, which symbol subsequently changed to VSQTF.

The Company's head office and its registered and records office is located at Suite 1080 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

Intercorporate Relationships

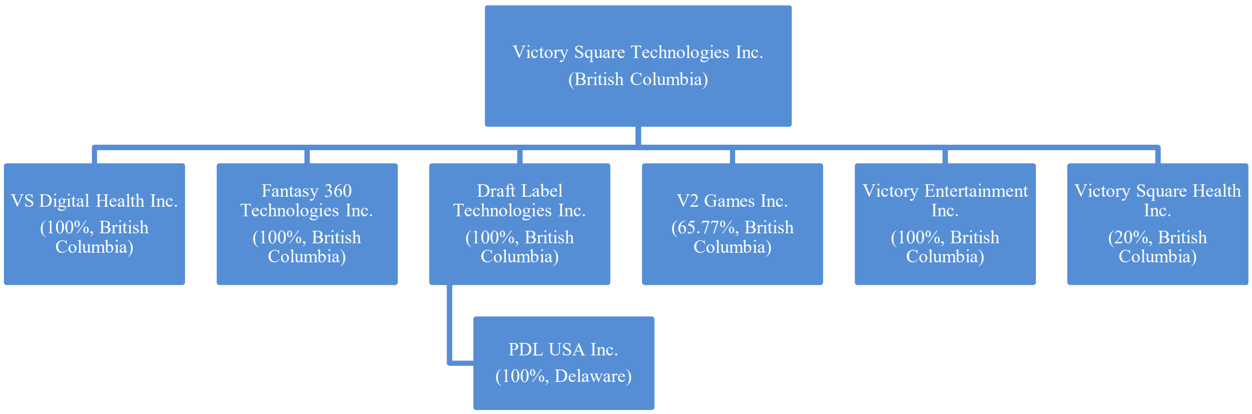
Subsidiaries

The Company operates a number of subsidiaries through which it conducts a variety of businesses. The following table illustrates the Company's legal structure and relationship to, and ownership interest in, its Subsidiaries, as at the date hereof.

Name	Jurisdiction of Formation	Ownership Interest
VS Digital Health Inc.	British Columbia	100%(1)
Draft Label Technologies Inc.	Canada (Federal)	100%(1)
Fantasy 360 Technologies Inc.	British Columbia	100%(1)
Victory Square Health Inc.	British Columbia	20%(1)
V2 Games Inc.	British Columbia	65.77%(1)
Victory Entertainment Inc.	British Columbia	100%(1)
PDL USA Inc.	Delaware	100%(2)

Notes:
(1) Directly held by the Company.
(2) Indirectly held through DLT.

Set forth below is a corporate organization chart of the Company and the Subsidiaries as of the date of this AIF.



GENERAL DEVELOPMENT OF BUSINESS

General

The Company was incorporated on February 10, 2015, pursuant to the BCBCA, as "Davita Capital Inc." and subsequently changed its name on September 22, 2015, to "Fantasy 6 Sports Inc.". On October 19, 2015, the Company acquired its Subsidiary, DLT, and DLT's subsidiary, PDL, pursuant to a share exchange agreement. As a result of this business combination, the Company acquired certain software, source code and cloud hosting services.

On April 29, 2016, the Company filed a long form prospectus with the British Columbia Securities Commission, qualifying the distribution of 5,094,000 Common Shares issuable upon the exercise of special warrants previously issued for aggregate gross proceeds of $509,400. Trading in the Common Shares commenced on the CSE on May 4, 2016, under the trading symbol "FYS".

Three Year History

The development of the Company's business over the preceding three completed financial years and for the period since December 31, 2019, is described below. For more information, please refer to the Company's publicly available disclosure information found under the Company's profile on SEDAR.

In 2017 the Company's revenue was $714,812, in 2018 the Company's revenue was $4,487,740 and in 2019 the Company's revenue was $3,531,681.

On December 6, 2017, the Company announced its admission as a member of the Blockchain Investors Consortium, a market-leading organization pioneering professional investment activities into digital assets globally.

On September 20, 2017, the Company incorporated VS Blockchain Assembly Inc., to explore future investments and opportunities in the blockchain and crypto industries. VS Blockchain Assembly Inc. was subsequently renamed "Aspen Technologies Inc." and is a Portfolio Company.

On December 14, 2017, the Company announced the appointment of Guy Halford-Thompson, co-founder of Blockchain Tech Ltd. and a recognized pioneer and visionary in blockchain technology, as an advisor to the Company.

On December 27, 2017, the Company acquired a 10% interest in Multapplied, a Portfolio Company that is an enterprise software defined wide area networking company, with a further option to acquire a further 10% interest at a future date. The initial 10% interest was acquired for cash consideration of $600,000.

On December 19, 2017, the Company acquired a $250,000 allocation of cryptocurrency tokens of Bluzelle Platform Pte. Ltd., a decentralized database service where users are able to rent out their computer storage space and be compensated with a cryptocurrency token, with an additional 25% of bonus tokens provided to the Company for being an early contributor. As a result, the Company acquired an aggregate of 1,666,666.67 tokens of Bluzelle Platform Pte. Ltd., with an average token price of US$0.09.

On December 21, 2017, the Company announced the appointment of Pavel Bains, CEO of Bluzelle Platform Pte. Ltd., as a strategic advisor to the Company.

On December 28, 2017, the Company announced a partnership with the North American Bitcoin Conference, a part of the World Blockchain Forum. The partnership enabled the Company and its Portfolio Companies to serve among the presenters at the North American Bitcoin Conference held on January 18 and 19, 2019, in Miami, Florida, and to sponsor a US$100,000 investment prize pool for the top three blockchain companies during the 'Pitch Your ICO' session. On January 25, 2018, the Company announced its investment of US$200,000 in Shopin, a blockchain company aiming to build create a decentralized shopper network to securely link retailers and their customers through personalized data intelligence, in consideration for 2,800,100 Shopin tokens.

On January 8, 2018, the Company entered into an agreement to become an early strategic adopter, investor and partner in the Gibraltar Blockchain Exchange, a subsidiary of the Gibraltar Stock Exchange, a European Union regulated stock exchange. In connection therewith, the Company acquired 1.65 million cryptographic tokens, known as Rock Tokens, in exchange for US$150,000, which tokens included a 10% bonus for being an early partner of the Gibraltar Blockchain Exchange.

On January 31, 2018, the Company acquired a 23.1% interest in CoPilot AI, a Portfolio Company that is an emerging blockchain-focused fintech company, in exchange for $1 million and 187,266 Common Shares at a deemed price of $2.67 per share, for aggregate consideration of $1.5 million. The Common Shares issued as consideration were subject to certain time based restrictions on trading.

On February 7, 2018, the Company acquired a 31.35% interest in PayVida, a Portfolio Company that is an emerging payment processing company, in exchange for $1.25 million and 365,168 Common Shares at a deemed price of $1.78 per share, for aggregate consideration of $1.9 million. The Common Shares issued as consideration were subject to certain time based restrictions on trading.

On February 14, 2018, the Company announced its intention to acquire 100% of the issued and outstanding shares of V2G, a Subsidiary and an established mobile games studio, in exchange for 1,030,928 Common Shares at a deemed price of $1.94 per share, for aggregate consideration of $2 million. The acquisition was completed on May 29, 2018, and the Common Shares issued as consideration were subject to certain time based restrictions on trading.

On February 22, 2018, the Company acquired a 28.5% interest in Capaciti, a Portfolio Company that is a decentralized project marketplace platform, in exchange for $100,000 and 364,372 Common Shares at a deemed price of $2.47 per share, for aggregate consideration of $1 million. The acquisition was completed on April 19, 2018, and the Common Shares issued as consideration were subject to certain time based restrictions on trading.

On March 13, 2018, the Company provided $50,000 in seed capital to establish Grow Tech, a Portfolio Company, as a business accelerator in the cannabis sector, focused on Canadian and international companies innovating in the medical and recreational cannabis industry.

On March 20, 2018, the Company acquired a 49% interest in Flo Digital, a Portfolio Company that is a virtual reality advertising company, in exchange for 446,428 Common Shares at a deemed price of $2.24 per share, and offered Flo Digital a convertible note facility with a principal amount of up to $300,000 and bearing interest at the rate of 4.45% per annum from March 20, 2019, until maturity on March 20, 2022, subject to prior conversion into common shares of Flo in accordance with its terms (the "**Flo Note**"). The Flo Note will automatically convert into common shares of Flo upon Flo completing a future financing for minimum gross proceeds of $1 million (the "**Conversion Event**") at a 20% discount to the deemed price per common share of Flo under the Conversion Event. The Common Shares issued as consideration were subject to certain time based restrictions on trading.

On April 3, 2018, the Company acquired a 25% interest in NDT, a Portfolio Company that is a technology education company, in consideration for the payment of $175,000 in cash.

On April 10, 2018, the Company announced its intention to acquire 100% of Limitless Blockchain Technology, LLC, a blockchain solutions provider, in exchange for 3,703,703 Common Shares at a deemed price of $1.35 per share, for aggregate consideration of $5 million. The acquisition was completed on May 1, 2018, and the Common Shares were subject to certain time based restrictions on trading.

On April 10, 2018, the Company acquired a 12.5% stake in Covalent, a Portfolio Company that is a blockchain data and technology company, in exchange for the payment of $60,000 in cash.

On April 13, 2018, the Company acquired a 9.09% interest in Taloflow, a Portfolio Company that is an Amazon web services advanced technology partner, for US$500,000.

On May 2, 2018, in connection with its partnership with the North American Bitcoin Conference, a part of the World Blockchain Forum, the Company announced an investment of $33,000 each in three companies: SBC Platform, which aimed to be the world's first automated initial coin offering solution for startups and small and medium enterprises; CryptoCurve, which aimed to be the first and last wallet an investor will ever need and offers a wide array of "industry firsts" next gen features; and Paytomat, which offered real life applications to various cryptocurrencies by enabling local stores and online merchants to accept payments in crypto.

On May 24, 2018, the Company announced a partnership with Keynote to bring the World Blockchain Forum to New York City for the first 'WBF: Security Tokens and ICOs' conference on June 12 and 13, 2018. The Company paid aggregate consideration of US$100,000 to sponsor the event.

On May 30, 2018, FEI, a Portfolio Company, completed a private placement of 17,831,000 common shares of FEI at a price of $0.25 per share for aggregate gross proceeds of $4,457,750.

On July 12, 2018, the Company acquired a 15% interest in Could Benefit Solutions Inc., a software-as-a-service platform for the group life and health insurance industry, in exchange for $300,000.

On August 22, 2018, the Company graduated to the OTCQX Best Market as a foreign issuer. The Common Shares began quoted on the OTCQX Best Market under the symbol "VSQTF" on August 22, 2018.

On August 8, 2018, FEI, a Portfolio Company, entered into a partnership with Leicester City Football Club, the 2016 English Premier League Champions, which partnership would introduce the FEI brand to Leicester City Football Club supporters through targeted promotions and co-branded activities both in and outside the stadium. The partnership expired on June 30, 2019.

On September 5, 2018, certain creditors of the Company, including a director and officer of the Company, converted debt owed to them by the Company, in the aggregate amount of $805,240.47, into Common Shares at a price of $1.00 per share, being a 19% premium to the market price of the Common Shares at the time.

On or about September 5, 2018, PayVida, a Portfolio Company, became the exclusive partner and preferred vendor of British Columbia's Alliance of Beverage Licensee.

On September 25, 2018, the Company announced the appointment of Barinder Rasode as the CEO of Grow Tech, a Portfolio Company. Ms. Rasode was the co-founder and CEO of the National Institute for Cannabis Health and Education and co-founder of Cannabis Wise, a national cannabis product certification program.

On September 28, 2018, the Company acquired a 21% interest in Shape, a Portfolio Company that develops 3-dimensional visualization and augmented reality technologies, in consideration for the payment of $140,772 in cash.

On October 10, 2018, Grow Tech, a Portfolio Company, partnered with Launch Academy, one of North America's top technology incubators, to develop an early stage incubator focused on the cannabis industry.

On October 17, 2018, the Company announced a return on investment of 62%, prior to box office release and after recouping its initial investment, for the film "*What They Had*", produced by the Company and United Film Funds II.

On October 22, 2018, the Company appointed Vahid Shababi, an entrepreneur with a 15-year track record of starting, growing and scaling tech, marketing, and entertainment businesses, as Chief Growth Officer of the Company.

On December 6, 2018, the Company announced that Taloflow, a Portfolio Company, launched "Tim", the Taloflow Instance Manager, an AI autopilot for cloud resource management that aimed to save companies up to 40% on the cost of Amazon web services.

On December 7, 2018, the Company acquired a 5% interest in Compression.AI, a Portfolio Company that is a data storage technology company, in consideration for the payment of $58,000 in cash.

On January 30, 2019, the Company announced that Grow Tech, a Portfolio Company, had commenced the development of the BC Craft Farmers Co-op, a cooperative for small cannabis producers and processors in British Columbia.

On March 26, 2019, the Company announced the acquisition of Piik Games, a esports platform developer, in exchange for $1,000,000, payable by the issuance of Common Shares on a quarterly basis over a period of three years, at an issue price per share equal to the closing price of the Common Shares on the CSE on the last trading day prior to the end of each quarter, minus a 10% discount. On March 1, 2019, 231,402 Common Shares were issued at a price of $0.43 per share, and on April 2, 2019, 264,981 Common Shares were issued at a price of $0.335 per share. No further Common Shares were issued due to the winding down of operations of Piik Games.

On April 3, 2019, the Company announced that its Portfolio Company, NDT, had entered into a strategic partnership with the National Crowdfunding & Fintech Association of Canada to launch a education program.

On May 13, 2019, the Company announced that its Subsidiary, V2G, completed a private placement of 1,319 unsecured convertible debentures (the "**2019 V2G Debentures**") at a price of $1,000 per debenture, for aggregate gross proceeds of $1,319,000. Each 2019 V2G Debenture accrues interest at a rate of 8% per annum and matures two years from the date of issuance thereof. The principal amount and any accrued and unpaid interest may be converted at any time, and without payment of any additional consideration, into common shares of V2G at a price of $0.25 per share, at the option of the holders of the 2019 V2G Debentures. The 2019 V2G Debentures will automatically convert upon the listing of V2G on the TSX Venture Exchange or upon the completion of a transaction by V2G with a company that is a reporting issuer in at least one jurisdiction of Canada by way of plan of arrangement, amalgamation, reverse take-over, qualifying transaction or any other business combination or similar transaction pursuant to which the shares of V2G or those of the resulting issuer are listed on the TSX Venture Exchange (in either case, a "**V2G Liquidity Event**"). In connection with the private placement, V2G paid finder's fees of $36,420 and issued 72,840 non-transferable common share purchase warrants, each exercisable for the purchase of one common share of V2G at a price of $0.50 per share for a period of 12 months from the date of issuance thereof. Concurrently with the sale of the 2019 V2G Debentures, the Company and V2G entered into a convertible loan agreement amending the terms of previously advanced funds in the aggregate amount of $2,373,291.91, as well as on any future amounts to be advanced by the Company to V2G. Pursuant to this convertible loan agreement, indebtedness owed by V2G will accrue interest at a rate of 8% per annum and all principal and accrued and unpaid interest may be converted at any time, and without payment of any additional consideration, into common shares of V2G at a price of $0.25 per share. Any outstanding principal and accrued and unpaid interest will automatically convert, with payment of any additional consideration, into common shares of V2G, at a price of $0.25 per share, upon the occurrence of a V2G Liquidity Event.

On July 25, 2019, the Company announced the appointment of Carey Dillen, Darin Recchi and Tasi Gottschlag as advisors to the Company, and on October 15, 2019, the Company announced the appointment of Rizwan Somji, Soheil Samimi and Fabian Dawson as additional advisors to the Company.

On March 26, 2020, FEI, a Portfolio Company, completed a private placement of common shares of FEI (the "**FEI Shares**"), placing an aggregate of 8,948,326 FEI Shares at a price of $0.35 per share, for aggregate gross proceeds of $3,131,918, and concurrently completed its acquisition of McBookie, a leading provider of betting services in the United Kingdom, in exchange for $2.2 million. As a result of the completion of these transactions, FEI completed its application for listing on the CSE and the FEI Shares were listed on the CSE under the trading symbol "FANS" commencing on May 5, 2020.

On May 5, 2020, the Company also announced its intention to settle an aggregate of $237,675 in debt owed to certain creditors of the Company, including a director and officer, by the issuance of an aggregate of 2,726,317 Common Shares at a deemed price of $0.08 per share. In addition, debt in the aggregate amount of approximately $19,570 was forgiven and written off.

On June 3, 2020, VSH, a Subsidiary, acquired the assets and intellectual property of Safetest Comércio de Diagnósticos Ltd., a provider of COVID-19 testing technologies and developer of the Safetest COVID-19 Assay Test, in exchange for an aggregate of 400 common shares of VSH at a deemed price of $10,000 per share, for aggregate consideration of $4 million.

On July 31, 2018, FEI, a Portfolio Company, completed a private placement financing of 12,524,615 subscription receipts at a price of $0.40 per subscription receipt, which ultimately converted into an equivalent number of FEI Shares upon the completion of the amalgamation of Askott Entertainment Inc. and FEI's wholly-owned subsidiary on August 11, 2020.

On July 31, 2020, the Company announced that the Safetest COVID-19 Assay Tests had been approved for immediate trials and application in Sao Paulo, Brazil, having been approved in the Ideiagov program supported by the Sao Paulo State Government.

On August 14, 2020, VSH, a Subsidiary, was granted US Food & Drug Administration permission under the Emergency Use Authorization to commence marketing, sales and distribution under the emergency use authorization for the Safetest COVID-19 Assay Tests.

On August 31, 2020, VSH, a Subsidiary, entered into a manufacturing agreement with Gold Analisa Diagnostica Ltda. to produce an additional 5 million Safetest COVID-19 Assay Tests and which will enable VSH to enter into additional sales agreements in various industries.

On September 8, 2020, VSH, a Subsidiary, obtained approval from the Brazilian Health Regulatory Agency, ANVISA, to commence marketing, sales and distribution for its Safetest COVID-19 Assay Tests. On September 10, 2020, VSH was granted European Union declaration of conformity, in respect of the enzyme-linked immunosorbent assay (ELISA) version of its Safetest COVID-19 Assay Tests indicating that such test complies with all the requirements of European in-vitro diagnostic device legislation, and allows VSH to commence marketing, sales and distribution of the ELISA version of its Safetest COVID-19 Assay Tests in the European Union, until May of 2022. On September 17, 2020, VSH received orders for 2 million Safetest COVID-19 Assay Tests in Brazil. On September 21, 2020, VSH entered into a sales and distribution contract with TM Safety Supplies, a North American supplier of health and safety equipment. The agreement includes an order of 2,000,000 Safetest COVID-19 Assay Tests, the sale and use of which remains subject to Health Canada approval.

On September 22, 2020, VSH entered into an agreement, as amended October 2, 2020, to acquire a certified laboratory and production facility in Minas Gerais, Brazil. Following approvals by the Brazilian Health Regulatory Agency, ANVISA, of such laboratory and production facility, and after additional equipment upgrades, estimated at a cost of US$300,000 by the end of fiscal year 2020, VSH intended to use the facility for testing and Safetest COVID-19 Assay Test production. VSH subsequently elected to shift the focus of the laboratory and production facility to not include the Safetest COVID-19 Assay Tests, and elected not to complete the previously disclosed equipment upgrades in favour of executing white label manufacturing agreements to increase capacity (See the Company's news release dated December 7, 2020).

On September 28, 2020, VSH entered into a partnership agreement to provide Safetest COVID-19 Assay Tests to the Canadian Police Association, subject to Health Canada approval. On October 6, 2020, VSH received US Food & Drug Administration permission under the Emergency Use Authorization to commence sale and distribution of the Safetest COVID-19 Assay Tests in the United States. On October 14, 2020, VSH entered into distribution partnerships with Nupaf Ltd., Jaya Unggul Gemilang Sdn Bhd, Olim Het Pte. Ltd. and Added Value Business Marketing Solutions Inc. to distribute the Safetest COVID-19 Assay Tests in Hong Kong, the Phillipines, Malaysia, Thailand and Singapore.

On October 19, 2020, VSH was granted European Union declaration of conformity, in respect of the rapid test version of its Safetest COVID-19 Assay Tests indicating that such test complies with all the requirements of European in-vitro diagnostic device legislation, and allowing VSH to commence marketing, sales and distribution of the rapid test version of its Safetest COVID-19 Assay Tests in the European Union. On October 27, 2020, VSH entered into a sales and distribution partnership to sell the Safetest COVID-19 Assay Tests in Greece, Cyprus, Romania, Bulgaria, Northern Macedonia and Serbia.

On November 9, 2020, the Company completed a private placement of 11,713,053 Special Warrants for aggregate gross proceeds of approximately $6.1 million. Each Special Warrant will entitle the holder thereof to receive one unit of the Company (a "**SW Unit**"), without payment of additional consideration, with each SW Unit being comprised of one common share of the Company (a "**SW Unit Share**") and one-half of one common share purchase warrant of the Company (each whole such warrant, a "**SW Unit Warrant**"). Each SW Unit Warrant will entitle the holder thereof to purchase an additional common share of the Company at a price of $0.78 per share for a period of 36 months from the initial closing date of the Offering, being November 9, 2020 (the "**Initial Closing Date**"). The Special Warrants and the SW Unit Warrants are governed by the terms of a Special Warrant Indenture and a Warrant Indenture respectively between the Company and Computershare Trust Company of Canada, as indenture trustee, in each case and will be transferable pursuant to the terms of such indentures. The Company has agreed to prepare and file a short form prospectus (the "**Prospectus**") qualifying the distribution of the SW Unit Shares and the SW Unit Warrants in British Columbia, Alberta, Manitoba and Ontario. In the event a receipt for the preliminary Prospectus has not been issued within 60 days of the Initial Closing Date, each Special Warrant will, upon the earlier of (i) four months and one day following the Initial Closing Date (or such subsequent closing date as may be applicable) and (ii) the date of the issuance of the receipt for the final Prospectus, entitle the holder of the Special Warrant to receive, at no additional cost, 1.10 SW Units, provided that the Company shall not be required to issue fractional SW Units, SW Unit Shares or SW Unit Warrants and any fractions shall be rounded down to the nearest whole number. Until a receipt is issued for the final Prospectus, securities issued in connection with the Offering will be subject to a 4-month hold period from the date of issue.

On November 9, 2020, VSH, a Subsidiary, entered into a sales and distribution agreement with ProNorth Medical Corporation to distribute the Safetest COVID-19 Assay Tests in North America. On November 15, 2020, VSH entered into a business development and sales agreement with Molkom Pharmaceuticals of Brazil to market and sell the Safetest COVID-19 Assay Tests.

On December 1, 2020, V2G, a Subsidiary, acquired substantially all of the assets of GameOn in consideration for a 34.23% interest in V2G, the assumption of liabilities of GameOn in the aggregate amount of US$274,400, and the issuance of a convertible note in the amount of US$92,000, convertible into common shares of V2G at a conversion price of $0.25 per V2G common share. It is expected that V2G will apply to list its common shares on the CSE in the first quarter of calendar 2021.

On December 7, 2020, the Company announced that its Subsidiary, VSH, had entered into two additional manufacturing, sales and distribution agreements in connection with the white label manufacturing of Safetest COVID-19 Assay Tests.

On December 14, 2020, the Company announced that its subsidiary, VSH, has received had entered into a new sales and distribution contract with a Brazilian medical production and supply company providing for an initial order of 3.7 million Safetest COVID-19 Assay Tests to be filled over a 24 month period.

On December 16, 2020, the Company announced that its subsidiary, V2G, completed its acquisition of substantially all of the assets of GameOn App Inc ("**GameOn**"). in consideration for the issuance of 3,123,288 V2G common shares at a deemed price of $0.80 per share, assumption of US$274,400 in liabilities of GameOn, and issuance of a convertible note with a principal amount of US$92,000 and a maturity date of December 1, 2022 (the "**GameOn Note**"), for aggregate purchase consideration of approximately $2,965,047 based on the Bank of Canada exchange rate for US dollars to Canadian dollars as of December 14, 2020. No interest is payable on the GameOn Note, which is convertible into V2G common shares at a price of $0.25 per share at any time at the option of the holder. V2G has also agreed to use commercially reasonable efforts to complete a going-public transaction on the CSE by no later than February 28, 2021 or such other date as may be agreed between GameOn and V2G. Immediately prior to the going-public transaction, V2G will further issue that number of V2G common shares as is equal to $150,000 divided by the deemed going-public price per share to such directors, employees and consultants of GameOn as GameOn may direct. The board of directors of V2G was reconstituted to comprise of 5 members, 3 of whom are nominees of V2G and 2 of whom are nominees of GameOn.

Significant Acquisitions

In the fiscal year ended December 31, 2019, and in the period since January 1, 2020, to the date hereof, the Company did not make any significant acquisitions requiring disclosure under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

DESCRIPTION OF THE BUSINESS

Overview

The Company focuses on building, acquiring and investing in emerging technology companies. As of the date hereof, the Company has fourteen Portfolio Companies and seven Subsidiaries, which companies operate in emerging technologies including, but not limited to, artificial intelligence (AI), gaming, digital/virtual healthcare, augmented reality and virtual reality (AR/VR) and blockchain. The Company supports these companies as they grow by providing comprehensive functional expertise in commercialization, product market-fit and through access to proprietary technology solutions and to an extensive ecosystem of global partnerships.

Business Strategy

The motto of the Company is "Our Process, Our People and Our Partnerships". Building upon these three cornerstones, the Company builds, acquires and invests in promising start-ups in growing markets and industries, while providing senior leadership and the resources needed to fast-track growth.

The Company focuses on companies with high growth potential, with a current portfolio of 14 companies using artificial intelligence, virtual reality/augmented reality and blockchain to disrupt sectors as diverse as financial technology, insurance, digital/virtual health and gaming.

The Company actively seeks investment opportunities in companies with a strong management team and unique technological solutions in a variety of industries in which the Company and its management has expertise. The Company sources potential Portfolio Companies primarily through its network of start-up accelerators around the world as well as through word of mouth and from companies who approach the Company. The Company typically seeks investments in small-to-medium sized business with an enterprise value of up to $10,000,000. The Company's investments in Portfolio Companies typically range between 5% to 50%.

Following investment, the Company often takes an active role in the management and operations of Portfolio Companies and provides strategic and management consulting services as an integral part of the relation between the Company and Portfolio Companies. In addition, Portfolio Companies also tap into the Company's network of global partners to search for partnerships, expertise and other resources to aid in the growth and development of Portfolio Companies and their products.

The Company evaluates the performance and growth of Portfolio Companies generally on an annual basis and develops and continues to revaluate each Portfolio Company's growth plan with them to maximize potential return on investment. The evaluation of Portfolio Companies normally involves an analysis of the growth of each Portfolio Company against other competitors operating in the same or similar industries and of similar size, a review of the financial statements of each Portfolio Company, potential areas for growth, noted areas of weakness and management strategies to improve such areas, management's projections for growth and potential risks associated with the business plan of each Portfolio Company, amongst other factors. Where necessary, the Company will also engage experts in the area of operations of Portfolio Companies to provide additional evaluation and resources to them.

Following a 24-36 month incubation period, the Company and Portfolio Companies will discuss potential exit strategies such as a public listing, a merger or acquisition transaction with another company, or examine whether continued incubation within the Company's system is warranted.

The Company is based in Vancouver, British Columbia, and makes investments in Portfolio Companies primarily in western Canadian based Portfolio Companies; however where opportunities arise, the Company may also take on Portfolio Companies located elsewhere. In addition, given the global nature of technology, Portfolio Companies may maintain operations in various different jurisdictions globally. The Company currently employs two professionals. The Company's senior management has significant experience in the technology and startup spaces, among others. See "*Executive Officers and Directors*".

As of September 30, 2020, the date of the Company's most recently published financial statements, the Company recorded investment assets in its Portfolio Companies valued at $22,302,748. As of December 31, 2019, the Company's most recently published audited financial statements, the Company recorded investment assets in its Portfolio Companies valued at $7,338,982.

Management and Directors

As of the date hereof, the following individuals represent the principal management of the Company:

- Shafin Diamond Tejani, Chief Executive Officer, President and Director; and
- Sheri Rempel, Chief Financial Officer and Corporate Secretary.

As of the date hereof, the following individuals represent the non-management board directors of the Company:

- Thomas Mayenknecht, member of the Audit Committee;
- Peter Smyrniotis, member of the Audit Committee; and
- Howard Blank, member of the Audit Committee.

Summary of Operations

Subsidiaries

The Company operates certain businesses directly through its Subsidiaries, being entities that were formed by the Company, rather than entities in which the Company acquired an equity interest following formation or certain companies that the Company formed but no longer retains control over, being Portfolio Companies.

The table below sets forth certain summary information in respect of the operations of Subsidiaries. While the Company takes on a high-level management role in many, if not all, of its Subsidiaries, the day to day operations of such Subsidiaries is largely handled by management and employees of each individual

Subsidiary. The information contained below has been developed from information provided by the Subsidiaries and has not been independently verified by the Company, and as such may not be accurate at the date hereof. See "*Cautionary Note Regarding Forward-Looking Statements*", "*Market and Industry Data*" and "*Risk Factors*".

Victory Square Health Inc.
VSH was founded in 2016 to accelerate the development of personalized medicine and healthcare technologies such as diagnostic testing solutions to support patient care and improve healthcare outcomes. VSH acquired Safetest Comércio de Diagnósticos Ltd. ("**Safetest**") and their flagship product, the Safetest COVID-19 Assay Tests and ELISA testing kits for the verification of COVID-19 infection which has received Conformitè Europëenne approval for distribution, sale and use through the European Union and Brazil. In addition, as a result of the acquisition, VSH also acquired the Safetest Leishmaniasis Rapid Test, a Visceral Leishmaniasis rapid immunochromatographic strip assay for the qualitative detection of antibodies to members of Leishmania. donovani in human serum, which was developed in partnership with the Universidade Federal de Minas Gerais in Belo Horizonte, Brazil for use primarily in blood donation centres or blood component manufacturers.
VS Digital Health Inc.
VSDH's mission is to offer connected healthcare solutions including round the clock access to healthcare professionals, prescription delivery services and other related services and products. Currently, VSDH holds an exclusive distribution agreement to distribute VSH's diagnostic testing products in North America, Europe, the Middle East, India, Malaysia and Indonesia.
Fantasy 360 Technologies Inc., doing business as Immersive Tech
F360 designs, programs, builds and installs virtual reality, augmented reality and mixed reality immersive experiences for a variety of purposes, such as brand engagement, revenue generation and corporate training. F360 has worked with leading brands such as Intel, Snickers, CapitalOne Financial, Allegiant Airlines, Scotiabank, Bayer, Health Canada and the U.S. Food & Drug Administration.
V2 Games Inc.
V2G is a video and mobile game ventures firm focusing on royalty investments in gaming projects. The company generates cash flow by streaming revenue share from recognizable gaming projects such as Pacific Rim: Breach Wars, Rune: Ragnarok, Men In Black and Hello Kitty. V2G previously also developed the mobile game PAC-MAN Bounce, which was downloaded more than 20 million times globally. V2G recently acquired substantially all of the assets of GameOn. GameOn was a leading-edge gaming company providing consumers, broadcasters, sportsbooks, venues and brand partners with interactive, social experiences around sports, television and live events. Through GameOn's assets, V2G drives engagement and revenue through its suite of proprietary mobile and TV technologies, changing the way fans compete, watch and win through free and frictionless prediction games. After completing the Techstars accelerator program and launching last summer, GameOn landed distribution into Comcast homes and bars. The TV app developed by GameOn overlays the game to enable live prediction in venues nationwide, driving viewership, engagement and revenue. GameOn also worked with white-label partners including NBC Universal, Bravo and Real Housewives.
Victory Entertainment Inc.
VEI is an entertainment company focusing on the development, financing and production of film, television and digital media products. Media projects financed by VEI include "*Dragged Across the Concrete*" featuring Mel Gibson and Vince Vaughn, "*What They Had*" featuring Hillary Swank, and "*The Opening Act*" featuring Jimmy O. Yang, Cedric the Entertainer and Ken Jeong.

Draft Label Technologies Inc.
DLT offers custom software development services to various of industries including member-based businesses in exchange for royalty payments.
PDL USA Inc.
PDL is a wholly owned subsidiary of DLT and is based in Delaware. PDL operates online platforms for fee entry fantasy sports competitions in the United States.

Portfolio Companies

In addition to the Company's operations maintained through its Subsidiaries, the Company held the following equity interests, either directly or indirectly through a Subsidiary, in its Portfolio Companies as at December 31, 2019, and the date hereof respectively, as set out in the table below.

Portfolio Company	Jurisdiction of Existence	Date Company Acquired Interest	Equity Interest Held by the Company	
			December 31, 2019	December 18, 2020
Aspen Technologies Inc.	British Columbia	September 20, 2017	20.33%	20.33%
Cassia Research Inc., doing business as CoPilot AI	British Columbia	January 31, 2018	23.1%	23.1%
Cloud Benefit Solutions Inc., doing business as Cloud Advisors	British Columbia	July 12, 2018	5%	5%
MLVX Technologies Inc., doing business as Compression.AI	British Columbia	December 7, 2018	5%	5%
FansUnite Entertainment Inc.	British Columbia	September 6, 2017	48.55%	7%
Flo Digital Inc.	British Columbia	March 21, 2018	49%	49%
Grow Academy Technologies Inc.	British Columbia	March 13, 2018	25%	25%
Howyl Ventures Inc., doing business as Capaciti	British Columbia	February 22, 2018	28.5%	28.5%
Multapplied Networks, Inc.	British Columbia	December 27, 2017	10%	10%
Next Decentrum Technologies Inc.	British Columbia	April 3, 2018	25%	25%
PayVida Solutions Inc.	British Columbia	February 7, 2018	31.35%	31.35%
Shape Immersive Inc.	British Columbia	September 28, 2018	21%	21%
Silota Research and Development Inc., doing business as Covalent	British Columbia	April 10, 2018	12.5%	12.5%

Portfolio Company	Jurisdiction of Existence	Date Company Acquired Interest	Equity Interest Held by the Company	
			December 31, 2019	December 18, 2020
LocoNoco Inc., doing business as Taloflow.AI	British Columbia	April 13, 2018	8.47%	8.47%

See "*General Development of Business – Three Year History*" for additional information.

The table below sets forth certain summary information in respect of the Portfolio Companies. The information contained below has been developed from information provided by Portfolio Companies and has not been independently verified by the Company, and as such may not be accurate at the date hereof. See "*Cautionary Note Regarding Forward-Looking Statements*", "*Market and Industry Data*" and "*Risk Factors*".

Aspen Technologies Inc. ("Aspen")
Aspen delivers blockchain and crypto advisory services by providing financial, technical and management services to develop early-stage blockchain technology companies, and enabling existing technology companies to accelerate the integration and implementation of blockchain into their future growth. Aspen is currently developing a cyber security offering for the new work-from-home COVID-19 business world.
Cassia Research Inc., doing business as CoPilot AI ("CoPilot AI")
CoPilot AI uses cutting edge artificial intelligence technology to help sales teams automatically target qualified prospects on social media, initiate one-to-one conversations and identify timely sales opportunities without requiring any "content marketing", spam emails or other mass advertising. Clients of CoPilot AI have included UBS, Merrill Lynch, MassMutual and New York Life, among others.
Cloud Benefit Solutions Inc., doing business as Cloud Advisors ("Cloud Advisors")
Cloud Advisors is an insurtech company connecting insurance advisors with marketplace data and tools to analyze insurance offerings through a secured digital platform to enhance end-user experiences. The Cloud Advisor platform provides access to digital client management, on-demand insights, automated reporting, governance and compliance tools and a robo-advice assistant for the provision of insurance advice to advisors.
MLVX Technologies Inc., doing business as Compression.AI ("Compression.AI")
Compression.AI develops technology for the rapid compression of large data files in easier to decompress and navigate formats.
FansUnite Entertainment Inc. ("FEI")
FEI is a sports and entertainment company focusing on the development, sale and implementation of technologies related to legal online gaming platforms such as online casinos, and sports and e-sports betting platforms. FEI also operates several business-to-consumer brands and operates McBookie, a sports book betting company based in the United Kingdom, and Askott Entertainment Inc., a leading esports betting platform.

Flo Digital Inc. ("Flo Digital")
Flo Digital develops a virtual reality video delivery platform viewable across multiple platforms to provide agencies, VR developers, brands and clients with an end-to-end interactive virtual reality advertising solution.
Grow Academy Technologies Inc. ("Grow Tech")
Grow Tech is a plant-based science company focusing on the research and development of cannabis and psychoactive compounds and the development of skincare products based on such derivatives.
Howyl Ventures Inc., doing business as Capaciti ("Capaciti")
Capaciti is a technology company offering crowdsourced IT strategy, algorithms and analytics, and artificial intelligence and blockchain solutions, as well as develops mobile and web application, primarily through its decentralized block-chain enabled project marketplace platform.
Multapplied Networks, Inc. ("Multapplied")
Multapplied develops and distributes proprietary software-defined wide area network technologies to cloud and managed service providers which aid to improve visibility and control over end-user experiences on hosted, managed applications to increase customer acquisition and retention.
Next Decentrum Technologies Inc. ("NDT")
NDT is an education technology start-up building education solutions to help professional teams and the public to learn about emerging technologies an decentralized innovation. NDT maintains the Learn Progress platform accessible at: https://learn.nextdecentrum.com/.
PayVida Solutions Inc. ("PayVida")
PayVida is a fintech company which seeks to offer solutions to connect merchants with consumers by providing e-commerce, mobile and in-store payment acceptance and disbursement technologies.
Shape Immersive Inc. ("Shape")
Shape develops 3-dimentional visualization and augmented reality technologies for application in the online shopping market to aid in visualization of products by potential purchasers. Clients of Shape include Nike, Amazon, Lululemon, Disney, Intel, Red Bull, TED and Uniqlo, among others.
Silota Research and Development Inc., doing business as Covalent ("Covalent")
Covalent is a fintech company seeking to increase access to and adoption of distributed blockchain technologies in enterprise and consumer use cases.
LocoNoco Inc., doing business as Taloflow.AI ("Taloflow")
Taloflow develops processing efficiency solutions to minimize and manage the use of cloud processing resources.

Growth Strategy

The Company identifies investment opportunities both through its active external search process and through the growth and development of native internal product and business ideas.

Internal growth is typically achieved primarily through the incorporation, incubation, development, financing, and ultimately sale or spin-off of subsidiaries based upon ideas brought by management of the Company and relying predominantly upon the Company's own resources.

External growth is typically achieved primarily through investments and acquisitions of companies operating in high growth industries or other areas of operations where the Company believes there is significant opportunity for revenue. External opportunities are sourced both through the Company's network of incubators and business connections as well as passively through potential acquisition targets which approach the Company directly. Once a high potential target company is identified, the Company conducts due diligence and financial analysis to evaluate the target company on a qualitative and quantitative basis to better understand both the present operations of such target as well as its growth potential.

Should the Company determine that a target company is suitable, the target is typically placed in the Lean Entrepreneur Acceleration Program (LEAP) program, which is operated in conjunction with Launch Academy, one of North America's top technology incubators. Following a target's successful graduation from the LEAP program, the Company conducts a further extensive period of review typically lasting between three and six months during which the Company will work closely with the target company to assess the 'fit' of the target company within the Company's portfolio and whether the needs of the target company can be adequately met by the Company. During this process, the Company will typically conduct interviews as well as background checks on the founders and the target company. Should the target company pass this period of review, the Company will put forward the target company for review by the Company's board of directors, and, if requested by the board, review by external specialists.

Following investment into a Portfolio Company, such company gains access to the Company's financial supports, business expertise and network of professionals in order to help the Portfolio Company achieve its growth targets. Portfolio Companies are reviewed on a monthly, quarterly and annual basis to evaluate financial health, product development, business growth and any changes to needs for support, among other evaluation metrics.

Performance Overview

The Company began trading on the CSE on May 4, 2016, with 41,494,000 Common Shares issued and outstanding with a market cap of $31,120,500. Since inception, the Company has acquired interests in 23 corporate entities operating primarily in the technology sector and has expended approximately $18,785,000 to acquire interests in its current and previous Portfolio Companies and through investments in its Subsidiaries, consisting of approximately $3,475,000 in cash and the issuance of approximately 12,544,747 Common Shares. As at September 30, 2020, the value on the Company's holdings was approximately $22,302,748.

The following table shows the value of assets held by the Company:

Date	Value of Investment
December 31, 2017	$5,118,359
December 31, 2018	$10,001,652
December 31, 2019	$7,338,982
September 30, 2020	$22,302,748

As at December 31, 2017, the assets held by the Company consisted primarily of interests in companies operating in the film, software-defined wide area network and blockchain industries. During the year ended December 31, 2018, the Company diversified its interests to sectors such as fintech, artificial intelligence, security, gaming and healthcare. The interests held by the Company for the year ended December 31, 2019, consisted largely of interests in companies operating in the same industries as in the year ended December 31, 2018, as the Company shifted its focus to developing its holdings and its assets. The decrease in investment value from the year ended December 31, 2017, to the year ended December 31, 2018, was due primarily to equity losses and impairments on certain investments. During the nine months ended September 30, 2020, the increase in investment value was primarily driven by fair value gains on its interests held in companies operating in the healthcare industry and the recognition of the Company's interest in FEI as an investment rather than a consolidated subsidiary due to the listing of FEI and the Company's corresponding decrease in ownership in FEI. Total investment value increased an aggregate of $17,184,389 (336%) from the Company's first reporting period ending December 31, 2017 to September 30, 2020.

The table below summarizes certain additional balance sheet values of the Company.

Date	Total Assets	Total Liabilities	Shareholder Equity
December 31, 2017	$11,713,354	$1,887,452	$9,825,901
December 31, 2018	$17,856,495	$1,755,511	$16,100,984
December 31, 2019	$13,211,699	$4,560,315	$8,651,384
September 30, 2020	$27,687,366	$4,286,099	$23,401,647

The year-over-year changes in total assets and shareholder equity largely parallels the changes in investment value outlined above. The debt to equity ratio as at December 31, 2017, and September 30, 2020, are largely similar at 0.18 and 0.19, respectively, while the shareholder equity of the Company has increased an aggregate of $13,575,746 from December 31, 2017 to September 30, 2020, representing an increase of approximately 238%. The increase in total liabilities during the year ended December 31, 2019, can largely be attributed to increases in related party loans, accrued liabilities and other payables, as further described in the audited financial statements of the Company for the fiscal year ended December 31, 2019, and its accompanying management's discussion and analysis, copies of which are available under the Company's profile on SEDAR at www.sedar.com. The increase in accrued liabilities and trade payables is largely attributable to administrative costs incurred by the Company including, but not limited to, increased marketing, accounting and legal expenses. The increase in related party loans payable was largely due to amounts loaned to the Company by shareholders and other non-arm's length parties to fund the Company's continuing operations.

Competition

The Company faces competition from other participants in the start-up space including accelerators, venture capitalists and angels, as well as more traditional investment sources such as banks and other companies, both public and private. The Company focuses on companies which management believes to have significant upside potential for growth within a specific size range, which management of the Company believes provides an attractive risk-adjusted return. By taking an equity interest in its Portfolio Companies and leveraging the Company's strong network, the Company believes that its investments have the potential to be safer investments than most funding organizations understand.

While the Company faces competition from participants globally, the Company believes its competitors in the marketplace to include the following:

- Constellation Software Inc.;
- Rocket Internet SE;
- TIMIA Capital Corp.;
- Incubara Capital Corp.; and
- various start-up incubators such as Y Combinator.

The Company believes the services it offers to potential Portfolio Companies are distinguishable from those offered by its competitors in a number of ways, including, but not limited to the following:

- increased networking opportunities;
- the Company's approach to acquiring equity interests in Portfolio Companies rather than offering debt instruments;
- the Company's wholistic approach to evaluating potential Portfolio Companies;
- tailored business growth solutions focused on developing businesses sustainably rather than forcing them to achieve specific metrics;
- increased management focus on small-to-medium businesses;
- experienced management and mentorship opportunities; and
- flexible exit options and support in growth.

These terms, combined with the Company's entrepreneur friendly environment, are meant to enable the Company to better serve its Portfolio Companies and attract additional high potential Portfolio Companies. Many of the Portfolio Company management teams are active supporters of the Company business and provide references upon request.

RISK FACTORS

The risks and uncertainties described herein are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties of which management is not currently aware or that management currently believes to be immaterial may also materially adversely affect the Company's business, assets, liabilities, financial condition, results of operations, prospects, cash flows and the value or future trading price of the Common Shares (one or more of the foregoing, a "**Material Adverse Effect**"). The occurrence of any of the possible events and risks described below and elsewhere in this AIF could have a Material Adverse Effect.

This AIF also contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this AIF. See "*Cautionary Note Regarding Forward-Looking Statements*".

The Company is exposed in varying degrees to a variety of risks, some of which may be anticipated by the Company and some of which may not be anticipated. The Board approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The risk factors below detail some, but not all, of the risks that the Company is subjected to.

Financing of Early Stage and Mid-Market Businesses

The Company's investments consists primarily of equity investments in early stage and mid-market businesses, predominantly privately-owned companies, many of which do not publicly report their financial condition and are not subject to the same accounting rules and securities laws that govern disclosure and financial controls of public companies. Compared to larger, publicly-traded companies, investments in these types of businesses offered to these types of businesses may carry more inherent risk. Such companies generally have limited access to capital and higher funding costs, may need more capital to expand or compete and may be unable to obtain financing from public capital markets or from traditional sources, such as commercial banks. Early stage and mid-market businesses may also have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Additionally, because many of the companies in which the Company invests do not publicly report their financial condition and may not have sophisticated financial controls and oversight, the Company is more susceptible to an investee's misrepresentation, which could result in a Material Adverse Effect. The failure of a target or an Investee to accurately report its financial position could result in the Company providing financing to a company that does not meet the Company's risk evaluation criteria, the loss of some or all of the Company's investment or non-compliance by a such company with applicable covenants. Accordingly, investment and/or acquisition of these types of businesses involve higher risk than financing solutions offered to larger businesses with greater financial resources or that are otherwise able to access traditional credit sources.

Fraud by a Target Company

While the Company makes every effort to verify the accuracy of information provided to it when making a decision on whether to invest or acquire a company, an target company may misrepresent information relating its financial health, operations or compliance with the terms under which the Company makes such a decision. In cases of fraud, it is unlikely that the Company will be able to realize on the benefits it anticipated when acquiring or investing in such company, which could have a Material Adverse Effect.

Dependence on the Performance of Investees

The Company is dependent on the operations, assets and financial health of its Investees. The Company's ability to meet its operating expenses in the long-term will be largely dependent on the performance of these companies. If the financial performance of such companies decline, the Company's revenues will decline. The failure of any such company to reach its anticipated goals could adversely affect the Company's financial condition and cash flow. The Company conducts due diligence on each investment prior to entering into agreements and monitors the activities of such companies. Nonetheless, there is a risk that there may be some liabilities or other matters that are not identified through the Company's due diligence or that arise subsequent to the Company's involvement that may have a Material Adverse Effect.

Due Diligence

The due diligence process that the Company undertakes in connection with investments and acquisitions may not reveal all facts that may be relevant in connection therewith. Before making investments and acquisitions, the Company conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each transaction. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process to varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Company relies on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigations that the Company carries out with respect to investment opportunities may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunities. Moreover, such an investigation will not necessarily result in the investment being successful. Any of the foregoing could have a Material Adverse Effect.

Risks Facing Investees

Each Investee is subject to risks which will affect such company's financial condition. As the Company is not privy to all aspects of the businesses of its Investees, it is impossible to predict exactly what risks such entities will face. Nonetheless, the Company expects that typical risks may include those set out below.

- The success of an Investee may depend on the management talents and efforts of one or two key persons or a small group of persons. The death, disability or resignation of one or more of these persons could have an adverse effect on an Investee.

- Investees may require additional working capital to carry out their business activities and to expand their businesses. If such working capital is not available, or is not available on beneficial terms, the financial performance and development of the businesses of such companies may be adversely affected.

- Damage to the reputation of a brand of an Investee could negatively impact consumer opinion of those businesses or their related products and services, which could have an adverse effect on their business.

- Investees may face intense competition, including competition from companies with greater financial or other resources, more extensive development, manufacturing, marketing, and other capabilities. There can be no assurance that Investees will be able to successfully compete against their competitors or that such competition will not have an adverse effect on their businesses.

- Investees may experience reduced revenues from the loss of one or more customers representing a high percentage of their monthly revenues.

- Investees may experience reduced revenues due to an inability to meet regulatory requirements or may experience losses of revenues or increased costs due to unforeseeable changes in regulations imposed by various levels of government.

- Investees may rely on government or other subsidy programs for revenue or profit generation. Changes to or elimination of such programs may have an adverse effect on them.

- Investees may experience significant economic hardship and instability in its short and long term economic outlook as a result of unforeseeable events such as natural disasters, pandemics (including COVID-19) and epidemics, war, political instability, changes to laws and policies applicable to it, economic sanctions, economic instability, lawsuits, and other factors.

- Investees may derive some of their revenues from sources outside of its country of existence and may experience negative financial results based on foreign exchange losses, hedging costs or foreign investment restrictions.

- The ability of the Company to realize on its investments may be compromised in the event that Investees do not maintain adequate insurance for their assets

- The success of Investees may depend upon the local, national and worldwide economy in respect of demand for their products or services and/or of the supply chain in relation to their production. In the event of deteriorating economic conditions, the financial performance and development of the businesses of Investees may be adversely affected.

Default by and Bankruptcy of a Investee

Should an Investee become insolvent, the value of such company in the event of liquidation will depend on market and economic conditions, the availability of buyers, and other factors. There can be no assurance that the proceeds, if any, from the sale of all of an Investee's assets will be sufficient for the Company to recuperate its investments.

Historical Performance Not Indicative of Future Performance

There can be no assurance that the same level of earnings achieved historically by the Company can be achieved in the future. Readers are cautioned not to place undue reliance on historical performance in making investment decisions.

Control Over Investees

The Company is not always in a position to exercise control over Investees or prevent decisions by the management or shareholders of an Investee that may affect the value of the Company's investment in such Investee. This may lead to a Material Adverse Effect.

Securities of Investees

The Company has, and will in the future, acquire and invest primarily in Investees that are private companies. The securities issued by such Investees will be subject to legal and other restrictions on resale or will be otherwise less liquid than publicly traded securities. To the extent the Company receives any form of securities issued by private companies, it may be difficult for the Company to dispose of such holdings if the need arises. Furthermore, if the Company is required to liquidate all or a portion of the securities it holds in an illiquid company, it may realize significantly less than the value at which it had previously recorded its holdings. In addition, the Company may face restrictions imposed by securities laws on its ability to liquidate or otherwise trade in securities of an Investees, including where the Company obtains material non-public information regarding such Investee.

Risk Management Efforts May Not Be Effective

The Company could incur substantial losses and its business operations could be disrupted if the Company is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to the Company's business, assets and liabilities. To the extent that the Company's models used to assess the creditworthiness of potential investment/acquisition targets do not adequately identify potential risks, this could result in higher risk than anticipated. The Company's risk management policies, procedures and techniques, may not be sufficient to identify all of the risks that the Company is exposed to, mitigate the risks that are identified or identify concentrations of risk or additional risks to which the Company may become subject in the future.

Regulation

The Company and the Investees are subject to a variety of laws, regulations and guidelines in the jurisdictions in which they operate and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions or additional changes to the jurisdictions in which they operate. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a Material Adverse Effect. In addition, the Company's failure to comply with laws and regulations or obtain any required approvals thereunder could also have a Material Adverse Effect. Such laws and regulations are subject to change, including as a result of unforeseen events such as the current COVID-19 pandemic. Accordingly, it is impossible for the Company to predict the cost or impact of changes to such laws and regulations on its respective future operations.

Reliance on Data From Third Parties

The Company's ability to review and select potential investment/acquisition targets depends on, among other things, credit, identification and other relevant information that the Company receives from third parties, including credit bureaus. If this information becomes unavailable or becomes more expensive to access, it could increase the Company's costs as it seeks alternative sources of information. If this third party data is incorrect, the Company's ability to identify potential investment/acquisition targets may suffer and the Company's business may be harmed. Other competitors to the Company may also have access to the same or additional data on potential investment/acquisition targets and as a result, the Company may face competition in acquiring the interests it acquires in investment/acquisition targets.

Market Risk

The Company and the Investees may be exposed to fluctuations in the market price for its services, including the development of new technologies, competition, changes in the market landscape and demand, changes to laws and regulations, etc.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's main source of funding has been the issuance of equity securities through private placements, revenue generated from its operations and those of the Investees and loans from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

Limited Operating History

The Company has limited operating history as an investment company in the cryptocurrency, blockchain, healthcare, technology or gaming industries. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the cryptocurrency, blockchain, healthcare, technology or gaming markets. There is no certainty that the Company will be able to operate profitably.

No Profits to Date

The Company has not made profits since its incorporation and it is expected that it will not be profitable for the foreseeable future. Its future profitability will, in particular, depend upon its success in making strategic investments in companies involved in the cryptocurrency, blockchain, healthcare, technology or gaming industries, which themselves are able to generate significant revenues or capital appreciation. Because of the limited operating history, and the uncertainties regarding the development of the cryptocurrency, blockchain, healthcare, technology or gaming industries, there are significant risks associated with the Company's investment strategy.

Going-Concern Risk

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements of the Company do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Negative Cash Flow

The Company has a limited history of operations and very little history of earnings, cash flow or profitability. The Company has had negative operating cash flow since the Company's inception and the Company will continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will ever attain positive cash flow or profitability or that additional funding will be available for operations on acceptable terms or at all.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing a diversified and material portfolio of investments. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing will be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

Risks Relating to Existing and Future Investments

The Company will continue to make investments financed primarily by the Company. Existing investments and future investments made by the Company should be considered speculative and there is no guarantee that any such investment will earn any positive return in the short term or long term. Businesses that the Company invests in may also request additional funding from the Company to support their operations and growth, and there is no assurance that such funding will be available to the Company from external sources on acceptable terms or at all.

The Company intends to pursue opportunities outside of the Company's existing business segments that would diversify its asset base, the success of which will depend, in part, on its ability to identify suitable investments, negotiate the purchase of such investments on terms acceptable to it, complete the investments within expected time frames and capitalize on such investments. Further, the profitability of such investments will be dependent upon a variety of potential factors depending on the underlying industry, for example, the market price of commodities, the level of interest rates, global economic conditions, political conditions, speculative activities, stability of exchange rates and other factors beyond the control of the Company. Investments in companies with publicly traded securities may experience substantial volatility and would be subject to market trends and macroeconomic conditions generally, notwithstanding any potential success of such companies in creating revenues, cash flows or earnings and may not accurately reflect the long-term value of such companies. There can be no assurance that continual fluctuations in price will not occur in such instances. The Company invests in and expects to make future investments in securities of private companies. In some cases, the Company may be restricted by contract or by applicable securities laws from selling such securities for a period of time. Such securities may not have a ready market and the inability to sell such securities or to sell such securities on a timely basis or at acceptable prices may impair the Company's ability to exit such investments when the Company considers it appropriate.

Foreign investments that may be made by the Company in specific sectors such as natural resource, industrial or technology may be subject to political risks, risks associated with changes in foreign exchange rates, foreign exchange control risks and other similar risks. The Canadian dollar equivalent of the Company's net denominated assets and dividends would be adversely affected by reductions in the value of the applicable foreign currencies relative to the Canadian dollar and would be positively affected by increases in the value of the applicable foreign currencies relative to the Canadian dollar.

The Company invests in and may make future investments in securities of companies that the Company does not control. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

The due diligence process undertaken by the Company in connection with investments it makes or that it wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company conducts due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

Equity Investment Risk

Equities such as common shares give the holder partial ownership in a company. The value of an equity security changes with the fortunes of the company that issued it. General market conditions and the health of the economy as a whole can also affect equity prices. Certain securities may be particularly sensitive to general market movements, which may result in a greater degree of price volatility for such securities and for securities of companies that invest in such securities under specific market conditions and over time. Equity related securities that provide indirect exposure to the equity securities of an issuer, such as convertible debentures, can also be affected by equity risk.

Asset Class Risk

The equity investments held by the Company may underperform the returns of other securities that have exposure to other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and under performance in comparison to the general securities markets.

Blockchain Technology Risk

The Company is subject to blockchain technology risk. Blockchain technology is an entirely new and relatively untested technology. The risks associated with blockchain technology may not emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Access to a given blockchain requires an individualized key, which, if compromised, could result in loss due to theft, destruction or inaccessibility. There is little regulation of blockchain technology other than the intrinsic public nature of the blockchain system. Any future regulatory developments could affect the viability and expansion of the use of blockchain technology. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation. Blockchain technology is not a product or service that provides identifiable revenue for companies that implement, or otherwise use it. Therefore, the values of the companies invested in by the Company may not be a reflection of their connection to blockchain technology, but maybe based on other business operations including revenues and other factors relating to their existing primary business operations. Accordingly, in addition to the risks associated with the use or development of products that may benefit from blockchain technology, companies invested in by the Company will continue to be susceptible to the risks associated with their primary business operations. Currently, blockchain technology is primarily used for the recording of transactions in digital currency, which are extremely speculative, unregulated and volatile. Problems in digital currency markets could have a wider effect on companies associated with blockchain technology. Blockchain technology also may never be implemented to a scale that provides identifiable economic benefit to the companies included in the Company's equity portfolio. There are currently a number of competing blockchain platforms with competing intellectual property claims. The uncertainty inherent in these competing technologies could cause companies to use alternatives to blockchain. Finally, because digital assets registered in a blockchain do not have a standardized exchange, like a stock market, there is less liquidity for such assets and greater possibility of fraud or manipulation.

Technology Sector Risk

The Company is subject to technology sector risks. General risks of technology companies include the risks of rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new product introductions. Certain technology companies may be smaller and less experienced companies, with markets or financial resources and fewer experienced management or marketing personnel.

Regulatory Risks

Changes in or more aggressive enforcement of laws and regulations could adversely impact companies involved in the cryptocurrency, blockchain, healthcare, technology or gaming industries. Failure or delays in obtaining necessary approvals, changes in government regulations and policies and practices could have an adverse impact on such businesses' future cash flows, earnings, results of operations and financial condition. The regulatory environment of cryptocurrency and blockchain is complicated and quickly evolving, there is no assurance the Company and Investees will be able to ensure it is compliant with any changes to applicable regulations in the future. The regulatory environment of healthcare technologies, particularly surrounding VSH's diagnostic tests, including the Safetest COVID-19 Assay Test, is particularly complex and fast evolving. There is no guarantee that testing in the Company's or Investees' technologies and products will obtain regulatory approval. Operation in the cryptocurrency, blockchain, healthcare, technology or gaming industries may carry significantly higher risks of litigation or regulatory oversight than operations in other industries.

Dependence on Internet Infrastructure; Risk of System Failures, Security Risks and Rapid Technological Change

The success of any developer of cryptocurrency-based, blockchain platforms will depend by and large upon the continued development of a stable public infrastructure, with the necessary speed, data capacity and security, and the timely development of complementary products such as high-speed modems for providing reliable internet access and services. Cryptocurrency has experienced and is expected to continue to experience significant growth in the number of users, amount of content and bandwidth availability. It cannot be assured that the cryptocurrency infrastructure will continue to be able to support the demands placed upon it by this continued growth or that the performance or reliability of the technology will not be adversely affected by this continued growth. It is further not assured that the infrastructure or complementary products or services necessary to make cryptocurrency a viable medium for digital payments will be developed in a timely manner, or that such development will not result in the requirement of incurring substantial costs in order to adapt the Company's services to changing technologies.

Intellectual Property Rights

Companies involved in the development and operation of virtual currencies or blockchain based technologies may be dependent on intellectual property rights; the loss of which could harm its business, results of operations and its financial condition. There can be no assurance that any company's products will not violate proprietary rights of third parties or that third parties will not assert or claim that such violation has occurred. Any such claims and disputes arising may result in liability for substantial damages which in turn could harm the underlying business, results of operations and financial condition.

Acceptance of Virtual Currencies

Although the Company believes that the usage of cryptocurrencies will be focused on the technology to transmit and clear fiat currencies their usage as virtual currency will be an important factor as well. Hence, in the event that companies or individuals will be increasingly reluctant to accept virtual currencies, such limited usage of cryptocurrencies could adversely affect an investment made by the Company.

Recording of Transactions

It is feasible that blockchain validators will cease to record transactions in solved transaction blocks. In particular, transactions that do not include the payment of transaction fees will not be recorded on the blockchain until a transaction block is solved by validators who are not required to pay such transaction fees. Any widespread delays in the recording of transactions could result in a loss of confidence in the blockchain network which could adversely affect an investment in the Company.

Cyber Security Risks

The Company is dependent on information technologies to conduct its operations, including management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm operations and materially adversely affect operation results, cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error.

The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. There can be no assure that the Company has the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

Competition

The market for cryptocurrency, blockchain, healthcare, technology and gaming technologies is becoming highly competitive on both a local and a national level. The current marketplace is dominated by a few companies, but will face substantial competition from and other competitors, which may have greater financial, technical, and marketing resources. Competitors may also have a larger installed base of users, longer operating histories or greater name recognition. There can be no assurance that any company will successfully differentiate its products from its competitors, or that the marketplace will consider one technology to be superior to others.

Regulation

The Company and the Investees are subject to a variety of laws, regulations and guidelines in the jurisdictions in which they operate and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions or additional changes to the jurisdictions in which they operate. In particular, and without limiting the generality of the foregoing, the COVID-19 testing solutions developed and sold by VSH are subject to regulatory approval processes in all jurisdictions in which it operates or proposes to operate. There can be no assurance that the appropriate regulatory approvals will be granted, that VSH will be able to obtain all required regulatory approvals or that the Company or VSH will have the required resources to obtain such approvals. The failure to obtain such approvals could have a Material Adverse Effect on the Company and its Investees. Obtaining regulatory approvals requires a significant investment in management and other resources, which may result in the Company and/or VSH not being able to take on other opportunities. The financial and managerial resources necessary to ensure such compliance could escalate significantly in the future which could have a Material Adverse Effect. In addition, the Company's failure to comply with laws and regulations or obtain any required approvals thereunder could also have a Material Adverse Effect. Such laws and regulations are subject to change, including as a result of unforeseen events such as the current COVID-19 pandemic. Accordingly, it is impossible for the Company to predict the cost or impact of changes to such laws and regulations on its respective future operations. In particular, the regulations applicable to COVID-19 testing technologies, such as those applicable to VSH's diagnostic tests, are quickly evolving and changing in response to the ongoing COVID-19 pandemic; there is no guarantee the Company and its Investees will be able to adapt to such changes. There is no guarantee that results from trials conducted on such technologies will be positive and even if such results are positive, that the offerings of the Company and its Investees will be competitive to or adopted by the marketplace.

Key Personnel

The Company and its Investees are dependent upon the continued availability and commitment of their management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the entity's business operations. From time to time, the Company and Investees will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the success of the Company and Investees and there can be no assurance of the ability to attract and retain such personnel. If the Company or an Investee is not successful in attracting and training qualified personnel, its ability to execute its business model and growth strategy could be affected, which could have a Material Adverse Effect on its profitability, results of operations and financial condition.

Employee Errors or Misconduct Could Result in Regulatory Sanctions or Reputational Harm

Misconduct by the employees of the Company or an Investee could result in the entity entering into transactions that exceed authorized limits or present unacceptable risks, potentially resulting in unknown or unmanageable risks or losses to the Company or the Investee. Employee misconduct could also involve the improper use of confidential information, which could result in regulatory sanctions and serious reputational harm. It is not always possible to deter employee misconduct or prevent employee error, and the precautions in place may not be effective in all cases.

Conflicts of Interest

Certain of the Company's directors and officers may, from time to time, serve as directors or officers of other companies involved in similar businesses to the Company and, to the extent that such other companies may participate in the same ventures in which the Company may seek to participate, such directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's results of operations and financial condition.

Share Price Volatility Risk

External factors outside of the Company's control may have a significant impact on the market price of the Common Shares. Global stock markets have experienced extreme price and volume fluctuations from time to time. There can be no assurance that there will be an active or liquid market for the Common Shares.

Changes in Strategies

The Company may alter its business strategies at any time without notice to shareholders and there is no guarantee that such changes will yield similar or improved returns, if any.

Dilution

The Company may be required to conduct additional equity financings in order to develop its business as currently planned. Any further issuance of equity will dilute the interests of existing shareholders, and existing shareholders will have no pre-emptive rights in connection with any such future issuances.

No Guarantee as to Timing or Amount of Dividends

Shareholders do not have a right to dividends on the Common Shares unless declared by the Board. The declaration of dividends is at the discretion of the Board, even if the Company has sufficient distributable cash to pay such dividends. The declaration of any dividend will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board.

The Company may not declare or pay a dividend if there are reasonable grounds to believe that: (i) it is, or after the payment would be, unable to pay its liabilities as they become due; or (ii) the realizable value of its assets would thereby be less than the aggregate of its liabilities, including those arising in the ordinary course of business. Dividends are not guaranteed and the amount of any dividend may fluctuate or be reduced or eliminated. There can be no assurance as to the levels of dividends to be paid by the Company, if any. The market value of the Common Shares may deteriorate if the Company is unable to pay dividends in accordance with its intended dividend strategy, or not at all, and such deterioration may be material.

Quarterly Financial and Operational Results

The Company's quarterly net income and results of operations are difficult to forecast. The Company may experience substantial fluctuations in net income and results of operations from quarter to quarter. Readers should not rely on the Company's results of operations in any prior reporting period to be indicative of its performance in future reporting periods. Many different factors could cause the Company's results of operations to vary from quarter to quarter, including:

- changes to its business model and strategies;
- the success of the Company's origination activities;
- credit losses and default rates;
- the Company's ability to acquire interests in target companies;
- competition;
- seasonal fluctuations in the Company's business, including the timing of transactions;
- personnel changes;
- changes in accounting rules;
- changes in prevailing interest rates;
- general changes to the Canadian, U.S. and global economies (including as a result of the COVID-19 pandemic); and
- political conditions or events.

The Company bases its current and future operating expense levels and its lending and investment plans on estimates of future net income, origination activity and rates of growth. The Company expects that its expenses will increase in the future, and the Company may not be able to adjust its spending quickly enough to compensate for net income that falls short of the Company's expectations. Any shortfalls in the Company's net income, origination activity, or in its expected growth rates, could have a Material Adverse Effect.

Litigation

From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, the results of any such actions could have a Material Adverse Effect.

Market Price of the Common Shares

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations, including changes in earnings or variations in operating results;
- recommendations by securities research analysts;
- operating performance and, if applicable, share price performance of the Company's competitors;
- addition or departure of the Company's management and other key personnel;
- expiration of lock-up or other transfer restrictions on outstanding Common Shares;
- sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues; and
- loss of a major funding source.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities and that have often been unrelated to operating performance, underlying asset values or business prospects. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or business prospects have not changed. There can be no assurance that continuing fluctuations in share price and volume will not occur, which could have a Material Adverse Effect.

Future Sales of Common Shares by Existing Shareholders

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

Inaccurate or Unfavourable Research

The trading market for Common Shares, if any, relies in part on the research and reports that securities analysts and other third parties choose to publish about the Company. The Company does not control these analysts or other third parties and it is possible that no analysts or third parties will cover the Company. The price of the Common Shares could decline if one or more securities analysts downgrade the Company or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Company or cease publishing reports about the Company.

Changes in Market and General Economic Conditions

A weak economy could impact the quality, quantum and frequency of the deals available to the Company. Adverse economic conditions also may decrease the estimated value of the collateral securing the Company's financing structures. Further or prolonged economic slowdowns or recessions, including the current uncertainty and volatility in the global economy as a result of the COVID-19 pandemic, could lead to financial losses in the Company's investments and a decrease in the Company's net finance income, net income and book value. Any of these events, or any other events caused by turmoil in global financial markets, could have a Material Adverse Effect.

There can be no assurance that economic conditions will remain favorable for the Company's business or that of its Investees. Poor performance by Investees may inhibit the Company's access to capital and negatively impact its profitability.

Competitive Business Environment

The Company's ability to originate new opportunities could be significantly affected by the activities of other industry participants. New competitors may become competitive with the Company or current market participants may significantly increase their activities. There can be no assurance that the Company or Investees will be able to compete effectively with its current and future competitors in connection. If these or other competitors were to engage in aggressive pricing policies, the Company and Investees may have difficulty in acquiring interests in potential target companies, which could have a Material Adverse Effect. Some of the Company's competitors offer a broader range of services than the Company and can leverage their existing customer relationships to offer and sell services that compete directly with the Company's services. Further, the Company's competitors may have greater financial, technical, marketing, origination and other resources, and may have greater access to lower cost capital. As a result of competition, the Company may not be able to effectively complete. As a result, the Company's ability to profitably expand its operations may decline.

There can be no assurance that there will be a sufficient number of suitable opportunities available to the Company or that such opportunities can be acted upon within a reasonable period of time. There can be no assurance that the Company will be able to identify suitable investment opportunities or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns will be diminished to the extent that the Company is unable to continue to grow its operations.

Inability to Realize Potential Benefits from Growth

The Company's inability to realize the potential benefits from its growth strategy may adversely impact its operating results. The Company's ability to realize such benefits will be based on its management of growth and will require it to continue to build its operational, financial and management controls, human resource policies, and reporting systems and procedures. The Company's ability to manage its growth will depend in large part upon a number of factors, including the ability of the Company to rapidly:

- secure additional sources of funding to fund new investments and acquisitions, while maintaining a prudent capital structure for the Company;
- attract and retain qualified personnel in order to continue to develop the Company's origination platforms and provide services that respond to evolving customer needs; and
- develop support capacity for Investees as business increases, so that the Company can provide support without diverting resources from current investment and acquisition efforts.

The Company's inability to achieve any of these objectives could have a Material Adverse Effect.

Material Non-Public Information

The Company's management or employees, and their respective affiliates, may serve as directors of, or in a similar capacity with, the Investees. In the event that material non-public information is obtained with respect to its Investees, such persons may become subject to trading restrictions under the internal trading policies of those companies or as a result of applicable laws or regulations. As a result, the Company could be prohibited for a period of time from trading the securities of an Investee, to the extent it owns any, and such a prohibition could have a Material Adverse Effect particularly if the Company desires to liquidate such securities.

Emerging Risk: COVID-19

An emerging risk is a risk not well understood at the current time and for which the impacts on strategy and financial results are difficult to assess or are in the process of being assessed. Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "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 and Investees in future periods.

DIVIDENDS

The Company has not paid or declared dividends or distributions for the three most recently completed financial years. The declaration and payment of dividends on the Common Shares is at the discretion of the Board and will be established on the basis of the Company's earnings, financial requirements for the Company's operations, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends, restrictions on dividend payments and other relevant factors. See "*Cautionary Note Regarding Forward-Looking Statements*" and "*Risk Factors*".

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company is authorized to issue an unlimited number of Common Shares. As of the date hereof, 76,391,818 Common Shares are issued and outstanding. The summary below of the rights, privileges, restrictions and conditions attaching to the Common Shares is subject to, and qualified in its entirety by reference to, the Company's Articles, which are available on SEDAR at www.sedar.com.

The Common Shares have the following rights and restrictions attached to them:

- **Voting:** Entitled to receive notice of and attend all meetings of shareholders of the Company, and to one vote per Common Share at such meetings.

- **Dividends: E**ntitled to dividends, if, as and when declared by the directors of the Company.

- **Liquidation:** Holders of Common Shares are entitled to rateably receive such assets of the Company as are distributable to the holders of the Common Shares upon liquidation, dissolution or winding up.

- **Other:** There are no conversion or exchange rights attaching to Common Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring a shareholder to contribute additional capital.

Incentive Stock Options

As of the date hereof, an aggregate of 4,975,000 incentive stock options of the Company, each exercisable to acquire one Common Share, are issued and outstanding (the "**Options**"). The Options are governed by the incentive stock option plan of the Company, adopted by the Board on May 9, 2016, and, subsequently, ratified and approved by the shareholders of the Company at the annual meeting of shareholders held on July 13, 2017, which allows for the granting of Options to directors, officers, employees and consultants of the Company (the "**Plan**").

Under the Plan, options shall vest as determined by the Board and shall not have a term exceeding ten years from the date of grant.

The summary above of the Options, is subject to, and qualified in its entirety by the Plan.

Special Warrants

As of the date hereof, an aggregate of 11,713,053 transferable special warrants of the Company ("**Special Warrants**") are issued and outstanding. Each Special Warrant will entitle the holder thereof to receive one unit of the Company (a "**SW Unit**"), without payment of additional consideration, with each SW Unit being comprised of one common share of the Company (a "**SW Unit Share**") and one-half of one common share purchase warrant of the Company (each whole such warrant, a "**SW Unit Warrant**"). Each SW Unit Warrant will entitle the holder thereof to purchase an additional common share of the Company at a price of $0.78 per share for a period of 36 months from the initial closing date of the Offering, being November 9, 2020 (the "**Initial Closing Date**").

The Special Warrants and the SW Unit Warrants are governed by the terms of a Special Warrant Indenture and a Warrant Indenture respectively between the Company and Computershare Trust Company of Canada, as indenture trustee, in each case and will be transferable pursuant to the terms of such indentures.

The Company has agreed to prepare and file a short form prospectus (the "**Prospectus**") qualifying the distribution of the SW Unit Shares and the SW Unit Warrants in British Columbia, Alberta, Manitoba and Ontario. In the event a receipt for the preliminary Prospectus has not been issued within 60 days of the Initial Closing Date, each Special Warrant will, upon the earlier of (i) four months and one day following the Initial Closing Date (or such subsequent closing date as may be applicable) and (ii) the date of the issuance of the receipt for the final Prospectus, entitle the holder of the Special Warrant to receive, at no additional cost, 1.10 SW Units, provided that the Company shall not be required to issue fractional SW Units, SW Unit Shares or SW Unit Warrants and any fractions shall be rounded down to the nearest whole number.

Until a receipt is issued for the final Prospectus, securities issued in connection with the Offering will be subject to a 4-month hold period from the date of issue.

Agent's Warrants

In connection with the offer and sale of the Special Warrants, the Company also issued an aggregate of 784,867 non-transferable agent's warrants (the "**Agent's Warrants**"), each exercisable to acquire one unit of the Company (an "**Agent's Warrant Unit**") consisting of one Common Share and one-half of one non-transferable common share purchase warrant (an "**Agent's Warrant Unit Warrant**") for a period of 36 months from the date of issuance of the Agent's Warrants for an exercise price of $0.52.

Each Agent's Warrant Unit Warrant shall be exercisable for a period of 36 months from the date of issue of the Agent's Warrants to acquire one Common Share of the Company at an exercise price of $0.78.

CF Fee Warrants

In connection with the offer and sale of the Special Warrants, the Company also issued an aggregate of 292,825 non-transferable common share purchase warrants (the "**CF Fee Warrants**") each exercisable for a period of 36 months from the date of issue of the CF Fee Warrants to acquire one Common Share of the Company at an exercise price of $0.78.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Except as disclosed below, as of the date hereof, to the Company's knowledge, no securities of the Company are subject to contractual restrictions on transfer.

Designation of Class	Number of Securities Held in Escrow or Subject to Contractual Restrictions on Transfer	Percentage of Class
Agent's Warrants	784,867(1)	100%
CF Fee Warrants	292,825(1)	100%

Notes:
(1) The Agent's Warrants and the CF Fee Warrants are non-transferable securities pursuant to the terms of the certificates evidencing such securities.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the CSE and quoted on the OTCQX under the symbols "VST" and "VSQTF", respectively. The table below describes the price range and trading volume of the Common Shares on the CSE, as reported by the CSE, for the periods indicated.

Common Shares	High	Low	Volume
January 2019	$0.55	$0.38	798,816
February 2019	$0.46	$0.32	677,003
March 2019	$0.44	$0.32	609,438
April 2019	$0.35	$0.27	454,253
May 2019	$0.37	$0.26	756,969

Common Shares	High	Low	Volume
June 2019	$0.38	$0.26	858,321
July 2019	$0.37	$0.25	666,422
August 2019	$0.28	$0.22	79,651
September 2019	$0.32	$0.22	762,176
October 2019	$0.27	$0.16	690,284
November 2019	$0.17	$0.07	1,789,480
December 2019	$0.11	$0.07	1,148,007
January 2020	$0.10	$0.07	875,202
February 2020	$0.12	$0.07	1,077,988
March 2020	$0.10	$0.07	403,870
April 2020	$0.09	$0.07	329,326
May 2020	$0.10	$0.09	351,023
June 2020	$0.25	$0.09	2,222,818
July 2020	$0.22	$0.16	961,046
August 2020	$1.10	$0.14	50,298,656
September 2020	$0.32	$0.19	61,990,122
October 2020	$0.27	$0.125	27,190,452
November, 2020	$0.58	$0.355	19,408,579
December 1 – 17, 2020	$0.76	$0.51	17,207,620

Prior Sales

The table below sets forth, for each class of securities of the Company that is outstanding, the date of issue of such securities, the number and class designation of the securities issued and the issue or exercise price of such securities, for all issuances of such securities during the fiscal year ended December 31, 2019, and from January 1, 2020, to the date hereof.

Date of Issue	Number and Designation of Securities	Issue/Exercise Price ($)
March 1, 2019	231,402 Common Shares	$0.3630
April 2, 2019	264,981 Common Shares	$0.3170
April 3, 2019	282,981 Common Shares	$0.30
March 17, 2020	4,975,000 Options(1)	$0.15
May 7, 2020	2,726,317 Common Shares	$0.08
September 24, 2020	25,000 Common Shares	$0.15
November 9, 2020	11,713,053 Special Warrants	$0.52(2)
November 9, 2020	585,651 Common Shares	$0.52(3)
November 9, 2020	292,825 CF Fee Warrants	$0.78(4)
November 9, 2020	784,867 Agent's Warrants	$0.52(5)

Notes:
(1) Incentive stock options issued pursuant to the Company's option plan each exercisable to acquire one (1) Common Share for a period of 5 years from the date of issuance.
(2) See "*Description of Capital Structure – Special Warrants*".
(3) Common Shares forming part of the SW Units issued on account of corporate finance fees payable in connection with the offering of Special Warrants.
(4) See "*Description of Capital Structure – CF Fee Warrants*".
(5) See "*Description of Capital Structure – Agent's Warrants*".

EXECUTIVE OFFICERS AND DIRECTORS

Summary Information

The table below sets forth certain summary information in respect of the executive officers, directors and other key members of management of the Company as of the date hereof.

Name, City and Country of Residence	Position	Director Since	Principal Occupation During the Five Preceding Years
Shafin Diamond Tejani West Vancouver, British Columbia, Canada	CEO / President / Director	August 31, 2015	Chief Executive Officer/Founder, Victory Square Labs Inc. (2008 to Present).
Sheri Rempel Vancouver, British Columbia, Canada	CFO / Corporate Secretary	N/A	President of CTB Consulting Inc. (2006 to Present), founder and owner of ARO Consulting Ltd. (2017 to Present).
Thomas Mayenknecht [(1)] North Vancouver, British Columbia, Canada	Director	September 15, 2015	Principal of Emblematica Brand Builders since 2006; founder and host of the Sport Market (TSN Radio) since 2008.
Peter Smyrniotis [(1)] Vancouver, British Columbia, Canada	Director	September 15, 2015	Director at SPARK.RE since 2017, previously Strategic Growth & Commercialization Advisor (2014-2017); Director at CoPilot AI since 2018, previously Advisor to CoPilot AI since 2016; Director at Plait Networks, 2017-2019; Chief Commercialization Officer and Director at Turnium Technologies (2017-2019); President and Director at eOmni since 2019; Advisor at The Perk since 2019.

Name, City and Country of Residence	Position	Director Since	Principal Occupation During the Five Preceding Years
Howard Blank [(1)] Vancouver, British Columbia, Canada	Director	June 28, 2016	Chief Executive Officer, Point Blank Entertainment Ltd. since 1988; Vice President – Corporate Communications, Entertainment & Responsible Gaming, Great Canadian Gaming Corporation (2004-2014); Director at Backstageplay Inc. (2016-2018).

Notes:
(1) Members of the Audit Committee.

Common Share Ownership

As of the date hereof, the directors, executive officers and other identified key members of management as a group beneficially own, or control or direct, 12,415,592 Common Shares, representing 16.25% of the outstanding Common Shares.

Terms of Directors and Executive Officers

Directors are elected for a term expiring at the conclusion of the next annual meeting of shareholders or until their successors are duly elected or appointed pursuant to the BCBCA and such directors will be eligible for re-election. Executive officers serve at the discretion of the Board.

Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, to the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any such persons) is, as of the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Each of: (i) Shafin Diamond Tejani, the chief executive officer and a director of the Company; (ii) Sheri Rempel, the chief financial officer and corporate secretary of the Company; (iii) Peter Constantine Smyrniotis, a director of the Company; (iv) Thomas Mayenknecht, a director of the Company; and (v) Howard Blank, a director of the Company, occupied such position(s) when the Company was subject to a management cease trade order issued by the British Columbia Securities Commission on May 2, 2019, and a failure-to-file cease trade order against the Company issued by the British Columbia Securities Commission on August 6, 2019, for failure to file its annual audited financial statements and management's discussion and analysis for the year ended December 31, 2018, and interim financial statements and management's discussion and analysis for the period ended March 31, 2019, within the prescribed time period (the "**CTOs**"). The CTOs were revoked on August 23, 2019, as the Company filed its annual audited financial statements and management's discussion and analysis for the year ended December 31, 2018, on

August 16, 2019, and its interim financial statements and management's discussion and analysis for the period ended March 31, 2019, on August 21, 2019.

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any such persons), or shareholder of the Company holding a sufficient number of securities of the Company to affect materially the control of the Company: (i) is, as of the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Other than as disclosed herein, to the best of the Company's knowledge, there are no existing or potential material conflicts of interest among the Company and a current or prospective director or officer of the Company at the date of this AIF.

PROMOTERS

No person is, or has been within the two most recently completed financial years or during the current financial year, a promoter of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to any legal proceeding nor was a party to, nor is or was any of its property the subject of any legal proceeding, during the fiscal year ended December 31, 2019, or from January 1, 2020, to the date hereof.

During the fiscal year ended December 31, 2019, and from January 1, 2020, to the date hereof, there were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below, there are no material interests, direct or indirect, of directors, senior officers, any shareholder holding more than 10% of the Common Shares, or any known associates or affiliates of such persons, in any transaction within the last three most recently completed financial years or during the current financial year or in any proposed transaction which has materially affected or would materially affect the Company.

- On November 9, 2020, Shafin Diamond Tejani purchased 961,538 Special Warrants pursuant to the Company's private placement of Special Warrants.

- On November 9, 2020, the Company settled outstanding debts consisting of non-arm's length party loans and CEO remuneration owing to Shafin Diamond Tejani in the aggregate amount of $500,000.

- On May 7, 2020, the Company issued 2,437,500 Common Shares at a deemed price of $0.08 per share to settle outstanding debts owing to Shafin Diamond Tejani.

- During the year ended December 31, 2018, the Company issued 805,240 Common Shares at a deemed price of $1.00 per share to settle outstanding debts owing to Shafin Diamond Tejani.

MATERIAL CONTRACTS

The following are the material contracts of the Company, other than contracts entered into in the ordinary course of business, entered into since January 1, 2019, or before January 1, 2019, if such material contract is still in effect:

(a) an agency agreement dated November 9, 2020, between the Company and Gravitas Securities Inc. in respect of the brokered private placement of the Special Warrants;

(b) a special warrant indenture dated November 9, 2020, between the Company and Computershare Trust Company of Canada, as special warrant agent, in respect of the brokered private placement of Special Warrants; and

(c) a warrant indenture dated November 9, 2020, between the Company and Computershare Trust Company of Canada, as warrant agent, in respect of the brokered private placement of Special Warrants.

Copies of these material contracts are available on SEDAR at www.sedar.com.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Company are Dale Matheson Carr-Hilton LaBonte LLP, at its offices located at Vancouver, British Columbia. Dale Matheson Carr-Hilton LaBonte LLP have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

Computershare Investor Services Inc. in Vancouver, British Columbia is the registrar and transfer agent for the Common Shares.

AUDIT COMMITTEE & RISK COMMITTEE

The Audit Committee's primary role is to assist the Board in fulfilling its oversight responsibilities regarding the Company's internal controls, financial reporting and risk management practices, all as more particularly described in the formal written audit and risk committee charter adopted by the Board, a copy of which is attached to this AIF as Schedule "A".

Composition

The Audit Committee is comprised of Thomas Mayenknecht, Peter Smyrniotis and Howard Blank. All members of the Audit Committee are independent and financially literate as such terms are defined by National Instrument 52-110 – *Audit Committees*. Members of the Audit Committee have the following experiences that are relevant to the performance of their duties as members of the Audit Committee:

Howard Blank is a communication, media, government relations, gaming, entertainment and marketing executive with over 30 years' experience in the film, gaming and entertainment sectors. Mr. Blank volunteers and sits on numerous philanthropic boards including Past President of Variety BC, Vice President of BC Entertainment Hall of Fame, Coast Music Foundation, Odd Squad, 911 Memorial Committee, Grey Cup, and many more. He is the recipient of many awards including Lifetime Gaming Display of Excellence and Philanthropic awards from the Canadian Gaming Association, Barker of the Year and Heart awards from Variety BC, Paul Harris Fellowship from Rotary International, Queen's Diamond Jubilee Medal, and the British Columbia Community Achievement Award.

Thomas Mayenknecht, a marketing communications executive who has specialized in professional and Olympic sport for much of his career, is a principal in the brand and business development consultancy Emblematica and is a sport business commentator as the founder and host of The Sport Market, a sport business radio show across the TSN Radio network (TSN 690 Montreal, TSN 1200 Ottawa, TSN 1050 Toronto, TSN 1150 Hamilton and TSN 1040 Vancouver, along with CFAX 1070 Victoria, CJME 980 Regina and CKOM 650 Saskatoon). He also carries a long record of community service in various sport, community and philanthropic concerns, including his current role as a member of the Board of Trustees of the BC Sports Hall of Fame situated at BC Place in Vancouver. Mr. Mayenknecht is a regular contributor to CTV Newschannel and a columnist for The Vancouver Sun and Postmedia News. His commentaries have also appeared in The Globe and Mail and The Sport Business Journal in the United States. He contributed to the creation and launch of TSN 1040 (then TEAM 1040) all-sports radio station in 2001, serving on the board of its founding company, Grand Slam Radio. He was a sports writer and television host in Montreal and Toronto in the late 1970s and early 1980s. Mr. Mayenknecht has served as a principal in Emblematica since 2005. He has experience in the governance of publicly-traded companies, serving Patch Energy as a consultant and Park Place Energy as an officer and director of the junior oil and gas enterprises from 2004 through 2010. Mr. Mayenknecht's core professional experience spans communications, sport management, cause marketing, brand management, journalism, television, public speaking and media training. In 18 years of executive experience in professional and Olympic sport, Mr. Mayenknecht has served in leadership roles at Tennis Canada, the Toronto Raptors and Vancouver Grizzlies of the National Basketball Association, PacificSport and the Vancouver Ravens of the National Lacrosse League, where he was named Executive-of-the-Year in 2002. He was inducted in 2016 to the Ringette Canada Hall of Fame as a builder.

Peter Constantine Smyrniotis is an entrepreneur, software-as-a-service professional, and board-level executive adept in launching high-growth disruptive companies, shipping new products to market, building teams and revenue through growth stages (Seed to Liquidity). His primary focus has been on platforms and marketplaces (FinTech, PropTech, Security, Data), B2B, Software-Enabled businesses. He has extensive experience in corporate governance and also fundraising (Seed-to-Series A/Listing). He's currently a director with Victory Square Technologies Inc., a technology company with multiple SaaS products; and he's also a board member or advisor with Spark RE Technologies Inc., CoPilot AI, Turnium Technology Group Inc., The Perk Service Inc., Paige Solutions Ltd. dba Appara AI, Illuminate Data Science Inc. dba Cannametrics, and RocketPlan Technologies Inc. These companies are growing between 2x-10x Year-over-Year (YoY).

Reliance on Certain Exemptions

The Company has not relied on any exemptions noted in Sections 4-6 of Form 52-110F1 – *Audit Committee Information Required in an AIF* since the commencement of the Company's most recently completed financial year.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Auditor for the years ended December 31, 2019, and December 31, 2018, were as follows:

Nature of Services	December 31, 2019	December 31, 2018
Audit Fees(1)	$100,000	$185,000
Audit-Related Fees(2)	$7,537	$27,739
Tax Fees(3)	$5,500	$5,000
All Other Fees(4)	Nil	Nil

Notes:
(1) The aggregate fees billed by the Auditor for audit fees.
(2) The aggregate fees billed for assurance and related services by the Auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' row.
(3) The aggregate fees billed for professional services rendered by the Auditor for tax compliance, tax advice and tax planning.
(4) The aggregate fees billed for professional services other than those listed in the other three rows.

The Audit Committee may adopt specific policies and procedures for the engagement of non-audit services, whereby the Audit Committee can pre-approve such services, as well as establish a threshold amount for fees for non-audit services to be provided by the Auditor without advance approval of the Audit Committee. The Audit Committee has not adopted any such policies and procedures as at the date of this AIF.

AMENDMENTS TO CONTINUOUS DISCLOSURE DOCUMENTS

Management's Discussion and Analysis for the Fiscal Year Ended December 31, 2019

The following paragraphs are deemed to be incorporated into the Management's Discussion and Analysis of the Company for the fiscal year ended December 31, 2019 (the "**2019 FY MD&A**"). Capitalized terms in this section shall have the meanings ascribed to such terms in the 2019 FY MD&A.

Under the heading "*Summary of Quarterly Results*", the following is added:

Revenue decreased for the year ended December 31, 2019, as compared to the same period in 2018, due to a decrease in film royalties (nil in 2019 and $2.1M in 2018) as well as a decrease in gaming royalties ($3K in 2019 and $299K in 2018). These decreases were as a result of the Company moving away from film investments and were partially offset by software development revenues in 2019 of $1M compared to nil in 2018 relating to DLT, a wholly-owned subsidiary of the Company. Cost of sales increased year-over-year also due to software costs which were $894K in 2019 and nil in 2018, again relating to DLT.

During the fiscal year ended December 31, 2019, as compared to the fiscal year ended December 31, 2019, the total assets of the Company decreased by approximately $5M, primarily as a result of the deconsolidation of FansUnite, impairments of certain investments and equity losses on investments.

For the 3 months ended December 31, 2019, revenues were $387K and cost of sales were $437K resulting in a ($50K) gross profit. This is largely due to the nature of the revenues and cost of sales that Fantasy 360 incurs, which fluctuates between periods as work is performed and revenues are earned. The 3 months ended December 31, 2018, had $2M in revenues and $228K in cost of sales resulting in a gross profit of $1.8M largely attributed to approximately $2.1M received in film royalties.

During the interim period ended December 31, 2018, and the interim period ended December 31, 2019, the Company recorded net losses in excess of other quarters in similar periods. In addition, in the interim period ended September 30, 2019, the Company recorded revenues in excess of the preceding and subsequent quarters. The fluctuations in revenue are largely attributable to the nature of revenues earned by Fantasy 360 on its operations, whereby revenue is recognized on a percentage of completion basis and adjusted for projection completions and changes in scope as they occur, thus resulting in significant increases and decreases from period to period. In addition, during the interim period ended September 30, 2019, the Company recorded approximately $1M in software royalties from DLT that was largely recognized in that interim period only, leading to a material increase in revenues.

Under the heading "*Revenue*", the following is added:

The Company derives most of its operating revenue from subsidiaries and other companies in which the Company owns an equity interest. It is part of the operations of the Company to transfer funds within entities, including transferring funds between VST and its subsidiaries, and transferring funds between subsidiaries as required to fund ongoing operations. There are no restrictions on these transfers of funds.

Under the heading "*Expenses*", the following is added:

The total non-current financial liabilities held by the Company as at December 31, 2019, was approximately $1.19M in convertible debentures, $230K obligation to issue convertible debentures, and a $245K lease payable.

Under the heading "*Liquidity and Capital Resources – Financial Condition of the Company*", the following is added:

In 2019, V2 Games raised approximately $1.3 million via the sale of convertible debentures, the proceeds of which were used to fund development, marketing and other expenses related to the "*Men in Black*" game by payment to 1108641 B.C. Ltd.

Given the balance sheet position as at December 31, 2019, the Company's current liabilities did exceed the current assets by approximately $1.4M. The annual financial statements of the Company for the fiscal year ended December 31, 2019, disclosed a negative working capital and going concern issue to reflect this. The Company requires additional funds from outside sources such as from the sale of its securities to fund its operations. Subsequent to the fiscal year ended December 31, 2019, and the Company completed a brokered private placement of Special Warrants for aggregate gross proceeds of approximately $6.1M. The net proceeds derived by the Company from the offering will enable the Company to meet both current and long-term liabilities as they come due for the proceeding 12 month period.

Under the heading "*Transactions Between Related Parties*", the following table is added:

	December 31, 2019	December 31, 2018
Interest accrued for Shafin Tejani, CEO	$1,270	$22,575
Management fees accrued for Shafin Tejani, CEO	$130,000	$130,000
Salary paid to Vahid Shababi Shad, the Chief Growth Officer	$160,000	nil
Professional fees paid to ARO consulting Inc., a company owned by the CFO, Sheri Rempel	$212,154	$168,840
Prepayment for investment in an sponsorship of a speaker series	nil	$50,000
Salaries paid to officers of FansUnite	$356,000	$277,000
Share-based payments for subsidiary options issued to officers of FansUnite	$410,300	$275,511
Share-based payments for options issued to officers and directors of the Company	$116,980	nil
Director fees paid to the directors of FansUnite	$19,016	$7,978

Under the heading "*Financial Risk Management*", the following is added:

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. Management continues to monitor the impact of COVID-19 on operations and forward-looking information disclosed herein.

Management's Discussion and Analysis for the Interim Period Ended September 30, 2020

The following paragraphs are deemed to be incorporated into the Management's Discussion and Analysis of the Company for the interim period ended September 30, 2020 (the "**2020 Q3 MD&A**"). Capitalized terms in this section shall have the meanings ascribed to such terms in the 2020 Q3 MD&A.

Under the heading "*Results of Operations*", the following is added:

Revenue and cost of sales for the Company decreased for the three and nine months ended September 30, 2020, as compared to the same periods ended September 30, 2019, primarily due to the classification of FansUnite as discontinued operations upon loss of control in March 2020 (see also "*Discontinued Operations – FansUnite*"), and the decreased demand in services in Fantasy 360 due to the COVID-19 pandemic. However, gross margins increased during this period primarily due to certain Fantasy 360 contracts with non-refundable terms being cancelled in 2020 resulting in Fantasy 360 receiving revenues with lower incurred costs. The Company expects that following the COVID-19 pandemic, operations in Fantasy 360 will return to previous levels, however the length of this recovery may be difficult to determine due to the ongoing nature of the COVID-19 pandemic and uncertainties surrounding same.

Under the heading "*Discontinued Operations – FansUnit*e", the following is added:

The operations of FansUnite were included in the consolidated operations up until March 25, 2020. FansUnite had no revenue so the loss of control had no effect on the Company's revenue from March 26 to June 30, 2020. In the quarter ended June 30, 2019, FansUnite had a net loss of approximately $600,000 of which $150,000 was related to marketing costs in connection with FansUnite's efforts to become a publicly listed company, therefore the effect of deconsolidating FansUnite could potentially be a reduction in the loss for the quarter ended June 30, 2020, by $450,000 if the results were the same as those incurred in the quarter ended June 30, 2019.

During the period ended September 30, 2020, the Company recorded a gain on deconsolidation of FansUnite of $4,311,299.

Under the heading "*Discontinued Operations – Victory Square Health*", the following is added:

Victory Square Health was virtually inactive until the point it became involved in the acquisition of assets for Covid-19 testing. Therefore, the loss of control had very little impact on the operating expenses and no impact on the revenues for VST. During the period ended September 30, 2020, there was a gain on deconsolidation of Victory Square Health of $696,328.

Under the heading "Revenue", the following is added:

The Company derives most of its operating revenue from subsidiaries and other companies in which the Company owns an equity interest. It is part of the operations of the Company to transfer funds within entities, including transferring funds between VST and its subsidiaries, and transferring funds between subsidiaries as required to fund ongoing operations. There are no restrictions on these transfers of funds.

Under the heading "Liquidity and Capital Resources – Financial Condition of the Company", the following is added:

As at September 30, 2020, the Company's current liabilities exceed the Company's current assets by approximately $200,000. However, the Company's brokered offering of Special Warrants completed subsequent to the interim period ended September 30, 2020, ensures that the Company will be able to meet its current and long term liabilities as they come due. The Company expects that, should additional funds be needed to fund operations, the Company may be required to complete additional financings.

In 2019, V2 Games raised approximately $1.3 million via the sale of convertible debentures, the net proceeds of which were used to fund development, marketing and other expenses related to the Men in Black game by payment to 1108641 B.C. Ltd.

Cash flows for the nine months ended September 30, 2020, were positive as compared to the same period ended September 30, 2019, during which periods cash flows for the Company were negative. The main cause for increased cash flows between comparative periods is the Company achieving net income for the period ended September 30, 2020, as compared to the nine month period ended September 30, 2019. Cash flows from operations were approximately $1.1M for to the nine month period September 30, 2020, as compared to $836K for to the nine month period September 30, 2019. This difference was driven primarily by increased net income for to the nine month period September 30, 2020, which was then adjusted for cash flow purposes by several large non-cash gains relating to gains on fair value investments, deconsolidation of previously held subsidiaries, and foreign exchange. Cash flows from investing activities was approximately $436K for to the nine month period September 30, 2020, as compared to approximately $1.65 for to the nine month period September 30, 2019, primarily driven by an approximately $1.65M spent on investment activities for to the nine month period September 30, 2019, as compared to nil for to the nine month period September 30, 2020, as the Company focused on presently held interests and preserving cash. In addition, financing activities in 2020 resulted in an approximately $2.36M inflow as compared to $829K for 2019. Increases in financing activities in 2020 were primarily as a result of approximately $2.17M in proceeds received in advance of the issuance of subsidiary shares and an additional approximately $160K in government CEBA loans, as compared to approximately $1.24M raised in 2019 from the issuance of convertible debentures.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Additional information, including information about the remuneration and indebtedness of our directors and officers, the principal holders of our securities and our securities authorized for issuance under equity compensation plans, is contained in our information circular for the annual meeting of shareholders held on December 4, 2020, a copy of which is available on SEDAR at www.sedar.com. Additional financial information about the Company is provided for in our financial statements and management's discussion and analysis for the fiscal year ended December 31, 2019.

SCHEDULE A – AUDIT COMMITTEE CHARTER

Victory Square Technologies Inc.

(the "Company")

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

(a) *Number of Members*. The Audit Committee must be comprised of a minimum of three directors of the Company.

(b) *Chair*. If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.

(c) *Financial Literacy*. All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

(a) *Quorum*. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.

(b) *Agenda*. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.

(c) *Notice to Auditors*. The Company's auditors (the "**Auditors**") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.

(d) *Minutes*. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

<u>External Auditor</u>

The Audit Committee will:

(a) *Selection of the external auditor*. Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.

(b) *Scope of Work*. Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.

(c) *Compensation*. Recommend to the Board the compensation to be paid to the external auditors.

(d) *Replacement of Auditor*. If necessary, recommend the replacement of the Auditor to the Board of Directors.

(e) *Approve Non-Audit Related Services*. Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.

(f) *Responsibility for Oversight*. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.

(g) *Resolution of Disputes*. Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

<u>Consolidated Financial Statements and Financial Information</u>

The Audit Committee will:

(a) *Review Audited Financial Statements*. Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.

(b) *Review of Interim Financial Statements*. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.

(c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports*. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.

(d) *Auditor Reports and Recommendations*. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

<u>Risk Management, Internal Controls and Information Systems</u>

The Audit Committee will:

(a) *Internal Control*. Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.

(b) *Financial Management*. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

(c) *Accounting Policies and Practices*. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

(d) *Litigation*. Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.

(e) *Other*. Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

<u>Complaints</u>

(a) *Accounting, Auditing and Internal Control Complaints*. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

(b) *Employee Complaints*. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

(a) *Auditor*. The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.

(b) *Independent Advisors*. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

(a) the Auditor's independence;
(b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
(c) the reappointment and termination of the Auditor;
(d) the adequacy of the Company's internal controls and disclosure controls;
(e) the Audit Committee's review of the annual and interim consolidated financial statements;
(f) the Audit Committee's review of the annual and interim management discussion and analysis;
(g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
(h) all other material matters dealt with by the Audit Committee.