MARBLE FINANCIAL INC.

Consolidated Financial Statements

For the Years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Marble Financial Inc.

Opinion

We have audited the consolidated financial statements of Marble Financial Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had a working capital deficit of $3,920,636 and a shareholders' deficiency of $2,187,901 as at December 31, 2021. These events or conditions, along with other matters as set forth in Note 1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion & Analysis for the year ended December 31, 2021, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

Hay + Watson

Chartered Professional Accountants
Vancouver, BC, Canada
April 28, 2022

MARBLE FINANCIAL INC.
Consolidated Statements of Financial Position
(Presented in Canadian Dollars)

AS AT		**December 31, 2021**		**December 31, 2020**
ASSETS				
Current assets				
Cash	$	1,106,678	$	1,326,253
Accounts receivable		90,128		571
Interest receivable (Note 6)		66,456		36,034
Loans receivable – current (Note 6)		461,565		794,643
Prepaid expenses		72,919		69,833
Investment in sublease (Note 13)		110,795		-
		1,908,541		2,227,334
Loans receivable (Note 6)		772,940		1,427,201
Furniture, equipment, and right-of-use assets (Note 7)		30,333		290,399
Intangible assets (Note 8)		1,919,842		626,979
Goodwill (Note 5)		1,399,824		-
Total assets		6,031,480		4,571,913
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current liabilities				
Accounts payable and accrued liabilities		812,728		522,038
Interest payable		198,878		43,921
Contingent earn-out provision (Note 5)		390,000		-
Convertible debentures (Note 9)		1,203,446		422,495
Loans payable (Notes 4 and 10)		95,164		25,164
Unearned revenue		13,256		198,856
Bonds payable – current (Note 12)		3,380,475		1,977,869
Lease liabilities (Note 13)		125,230		177,271
		6,219,177		3,367,614
Contingent earn-out provision (Note 5)		592,000		-
Deferred income tax liability (Note 5)		386,432		-
Loans payable (Notes 4 and 10)		20,375		85,539
Bonds payable (Note 12)		1,777,835		3,183,489
Lease liabilities (Note 13)		-		123,172
Total liabilities		8,995,819		6,759,814
Shareholders' deficiency				
Share capital (Note 14)		12,162,422		8,480,151
Shares issuable (Note 14)		67,800		-
Equity component of convertible debentures (Note 9)		115,338		27,347
Reserves		983,738		542,565
Accumulated deficit		(16,293,637)		(11,237,964)
Total shareholders' deficiency		(2,964,339)		(2,187,901)
Total liabilities and shareholders' deficiency	$	6,031,480	$	4,571,913

Nature of operations (Note 1); **Events after the reporting period** (Note 21); **Comparative figures** (Note 22)
The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors on May 2, 2022

"Karim Nanji" Director *"Farhan Abbas"* Director

MARBLE FINANCIAL INC.
Consolidated Statements of Loss and Comprehensive Loss
(Presented in Canadian Dollars)

For the years ended December 31,	2021	2020
Revenues		
Loan interest revenue	$ 651,661	$ 877,834
Verification fees	417,639	-
Subscription fees	250,326	288,787
Service fees and other	40,792	79,095
Total revenues	1,360,418	1,245,716
Operating expenses		
Administration costs	1,001,486	845,960
Amortization (Notes 7 and 8)	233,610	252,447
Bad debts expense and allowance for loan impairment	220,529	269,946
Consulting fees (Note 15)	797,310	892,992
Interest expense (Notes 9 and 12)	633,594	537,600
Investor relations	329,722	68,156
Marketing	493,652	210,723
Salary and benefits (Note 15)	1,665,610	1,321,241
Share based payments (Notes 14 and 15)	481,820	173,031
Software and platform technology services	408,071	129,606
Transfer agent and filing fees	43,644	33,235
Total operating expenses	6,309,048	4,734,937
Other income (expenses)		
Accretion expense (Notes 9 and 13)	(91,352)	(61,509)
Loss on settlement of convertible debentures (Note 9)	(22,036)	-
Loss on recognition of sublease (Note 13)	(1,884)	-
Write-off of accounts payable	8,229	-
Total other income (expenses)	(107,043)	(61,509)
Net loss and comprehensive loss	$ (5,055,673)	$(3,550,730)
Basic and diluted loss per common share	$ (0.06)	$ (0.06)
Weighted average number of shares outstanding – basic and diluted	77,718,956	56,901,673

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

MARBLE FINANCIAL INC.
Consolidated Statements of Changes in Shareholders' Deficiency
(Presented in Canadian Dollars)

	Share Capital						
	Number of shares	**Amount**	**Shares issuable**	**Stock option and warrant reserves**	**Equity component of convertible debentures**	**Deficit**	**Total**
Balance, December 31, 2019	55,750,763	6,153,526	-	373,754	-	(7,687,234)	(1,159,954)
Shares issued under RSU plan	75,000	12,375	-	(12,375)	-	-	-
Shares issued for private placement	15,567,401	2,335,110					2,335,110
Private placement costs - cash	-	(12,705)					(12,705)
Private placement costs – agents' warrants	-	(8,155)		8,155			-
Private placement costs – agents' units	303,333	-					-
Equity component of convertible debentures	-	-	-	-	33,292		33,292
Convertible debenture redeemed	-	-			(5,945)		(5,945)
Share-based payments	-	-	-	173,031	-	-	173,031
Net loss for the year	-	-	-	-	-	(3,550,730)	(3,550,730)
Balance, December 31, 2020	71,696,497	8,480,151	-	542,565	27,347	(11,237,964)	(2,187,901)
Shares issued under RSU plan (Note 14)	325,000	58,125	-	(58,125)	-	-	-
Shares issued for private placement (Note 14)	19,717,950	3,200,000	-	-	-	-	3,200,000
Private placement costs – cash (Note 14)	-	(6,300)	-	-	-	-	(6,300)
Private placement costs – agents' warrants (Note14)		(7,837)		7,837			-
Private placement costs – agents' units (Note 14)	306,530						-
Convertible debenture redeemed (Note 9)	1,533,333	521,333	-	-	(27,347)	-	493,986
Shares issued for marketing campaign (Note 14)	40,843	16,950	-	-	-	-	16,950
Shares issuable marketing campaign (Note 14)	-	-	67,800	-	-	-	67,800
Equity component of convertible debentures (Note 9)	-	-	-	-	115,338	-	115,338
Debt issuance costs – agents' warrants (Note 9)	-	-	-	9,641	-	-	9,641
Shares cancelled (Note 14)	(400,000)	(100,000)	-	-	-	-	(100,000)
Share-based payments	-	-	-	481,820	-	-	481,820
Net loss for the year	-	-	-	-	-	(5,055,673)	(5,055,673)
Balance, December 31, 2021	93,220,153	12,162,422	67,800	983,738	115,338	(16,293,637)	(2,964,339)

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

MARBLE FINANCIAL INC.
Consolidated Statements of Cash Flows
(Presented in Canadian Dollars)

For the year ended December 31,		**2021**		**2020**
CASH FROM OPERATING ACTIVITIES				
Net loss for the period	$	(5,055,673)	$	(3,550,730)
Items not affecting cash:				
Amortization (Notes 7 and 8)		233,610		252,447
Accrued interest on bonds payable		74,669		82,300
Lease accretion (Note 13)		20,123		36,596
Share based payments (Note 14)		481,820		173,031
Shares issued and issuable for marketing campaign		84,750		-
Accretion on convertible debentures (Note 9)		71,229		73,642
Interest on convertible debentures (Note 9		7,292		-
Interest from sublease		(10,361)		-
Loss on settlement of convertible debentures (Note 9)		22,036		-
Loss on recognition of sublease		1,884		-
Write-off of accounts payable		(8,229)		-
Changes in non-cash working capital items:				
Accounts receivables		(59,993)		(571)
Interest receivable		(30,422)		22,049
Loans receivable		987,339		868,387
Prepaid expenses		2,833		2,206
Unearned revenue		(185,600)		180,237
Accounts payable and accrued liabilities		319,928		101,513
Interest payable		154,957		22,464
Net cash used in operating activities		(2,887,808)		(1,736,429)
CASH FROM INVESTING ACTIVITIES				
Acquisition of property, equipment, and right-of-use assets (Notes 7 and 8)		(51,535)		(4,135)
Acquisition of Inverite (Note 5)		(1,441,864)		-
Net cash used in investing activities		(1,493,399)		(4,135)
CASH FROM FINANCING ACTIVITIES				
Common shares issued, net of share issuance costs (Note 14)		3,093,700		2,322,405
Convertible debentures issued, net of debt issuance costs (Note 9)		1,262,850		
Proceeds on convertible debentures issued (Note 9)		-		560,000
Proceeds from loans received (Note 10)		-		40,000
Sublease payments received		114,040		-
Payment of loans payable (Note 4)		(25,164)		(12,582)
Payment of lease liabilities (Note 13)		(195,336)		(193,571)
Payment of convertible debentures (Note 9)		(10,741)		(27,173)
Redemption of convertible debenture (Note 9 and 14)		-		(156,627)
Redemption of bonds (Note 12)		(77,717)		(220,897)
Net cash generated by financing activities		4,161,632		2,311,555
Change in cash during the period		(219,575)		570,991
Cash, beginning of the period		1,326,253		755,262
Cash, end of the period	$	1,106,678	$	1,326,253
Interest received	$	369,876	$	647,644
Interest paid *	$	628,972	$	501,495

* Includes interest paid on bonds, convertible debentures and BDC loans
Supplemental cash flow information (Note 19)
Reconciliation of changes in liabilities arising from financing activities (Note 20)

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

1. NATURE OF OPERATIONS

Marble Financial Inc. (formerly MLI Marble Lending Inc.) ("Marble", collectively with its subsidiaries, the "Company") was incorporated as Phoenix N2N Capital Inc. under the Business Corporation Act (British Columbia) on July 7, 2015. On September 15, 2016, Marble was continued under the Canada Business Corporation Act and on December 16, 2015 changed its name from Phoenix N2N Capital Inc. to MLI Marble Lending Inc. On November 8, 2019, Marble changed its name from MLI Marble Lending Inc. to Marble Financial Inc. The head office of the Company is located at Suite 404-999 Canada Place, Vancouver, British Columbia, V6C 3E2. Marble's common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "MRBL," quoted on the OTC Pink market under the symbol "MRBLF" and on the Frankfurt Stock Exchange under the symbol "2V0".

The Company's primary business activities have been focussed on assisting underbanked Canadians proactively improve and maintain their credit and financial wellness through data-driven financial technology, literacy and education solutions through its MyMarble Platform, as well as to provide banking verification solutions to the financial services industry for income verification, credit decisioning, fraud reduction, and know-your client ("KYC")/anti-money laundering purposes, through its wholly owned subsidiary, Inverite Verification Inc. ("Inverite"). The Company's cloud based proprietary MyMarble Platform is an online personal finance platform that provides consumers both a fremium and premium version offering the prescription ability to understand, build and maintain a positive credit report and credit score, gain specific and unique budgetary and credit insights with access to financial education and literacy, through Marble's current products: MyMarble, Marble Learn, Fast-Track, Boost and The Secured Future Credit Plan. Inverite offers a proprietary cloud-based SaaS platform which provides its open banking and consumer-directed finance solutions for alternative lenders to evaluate consumer date in near real-time to better evaluate, adjudicate and transact with credit requests, Inverite offers solutions for its alternative lending clients for income verification, credit decisioning, credit risk scoring, fraud reduction and KYC purposes. The Company and Inverite enter into non-exclusive referral and licensing agreements with third party financial services firms and alternative lenders to offer their platform-based solutions.

These consolidated financial statements have been prepared on the basis of a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2021, the Company had a working capital deficit of $4,310,636 (December 31, 2020 – $1,140,280), a shareholders' deficiency of $2,964,339 (December 31, 2020 – $2,187,901) and an accumulated deficit of $16,293,637 (December 31, 2020 – $11,237,964) and therefore will need ongoing funding to continue its operations. There is no assurance that additional funding will be available on a timely basis or on terms acceptable to the Company. If the Company is unable to obtain sufficient funding, the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of the going concern accounting principle will be in significant doubt. These consolidated financial statements do not reflect the adjustments or reclassification which would be necessary if the Company were unable to continue its operations in the normal course of business.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak continues to adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. Currently, it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. However, weak economic conditions may affect the financial condition and credit worthiness of some of the Company's consumer debtors. For the year ended December 31, 2021 the Company has decreased its expected allowance for credit losses as compared to 2020.

2. BASIS OF PRESENTATION

Statement of compliance

The Company prepared these consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and by the

2. BASIS OF PRESENTATION *(cont'd…)*

IFRS interpretations Committee. These consolidated financial statements were approved by the Board of Directors and authorized for issue on May 2, 2022.

Basis of measurement

These consolidated financial statements are prepared on the historical cost basis, except for certain items recorded at fair value. These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of consolidation

The Company's consolidated financial statements include Marble and its wholly owned subsidiaries as follows:

Company	**Place of Incorporation**	**Effective Interest**
TPFM The Phoenix Fund Management Ltd. (**"TPFM"**)	British Columbia	100%
TPF The Phoenix Fund Inc. (**"TPF"**)	British Columbia	100%
Score-Up Inc. (**"Score-Up"**)	Ontario	100%
Credit Meds Corp. (**"Credit Meds"**)	Ontario	100%
Inverite Verification Inc. (**"Inverite"**)	British Columbia	100%
1301771 B.C. Ltd. (**"1301771"**)	British Columbia	100%

On April 23, 2021, 1301771 B.C. Ltd. was incorporated under the BCBCA as a special purpose vehicle whose business and undertaking is restricted to the origination, funding and financing of consumer loan assets, together with such other activities as may be reasonably required or advisable in connection therewith. 1301771 was created for the purposes of procuring financing for Fast-Track Loans originated by TPFM and thereafter receiving an assignment of the Fast-Track Loans and holding them as collateral for a security interest provided to the lenders.

Control is achieved where the Company has power over an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the investor's returns. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All inter-company balances, transactions, revenues and expenses have been eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months maturity from the original date of acquisition.

Financial Instruments

i) Recognition, classification, and measurement

The Company initially recognizes loans and receivables and all other financial assets and on the date the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are initially measured and recognized at fair value. Subsequent to initial recognition, the Company's financial assets are classified as at fair value through profit or loss ("FVTPL") or at amortized cost. Financial liabilities are classified and subsequently measured at amortized cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Financial Instruments *(cont'd…)*

Financial assets at FVTPL

A financial asset is required to be classified as FVTPL unless it is measured at amortized cost or at fair value through other comprehensive income. Financial assets at FVTPL are initially measured at fair value with directly attributable transaction costs recognized in profit or loss. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

The Company's designated FVTPL assets consist of cash.

Amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a "hold to collect" business model, and if the contractual cash flows associated with the financial asset are solely payments of principal and interest on the principal amount of debt outstanding. Financial assets with a "hold to collect" business model exist when the Company's primary objective is to collect contractual cash flows on the assets rather than selling them. Financial assets classified as amortized cost are initially recognized at fair value, and subsequently measured at amortized cost using the effective interest method, less any allowance for losses.

The Company's financial assets measured at amortized cost consist of accounts receivable, interest receivable and loans receivable.

Financial liabilities are measured at amortized cost unless otherwise designated by the Company as FVTPL. The Company's financial liabilities measured at amortized cost consists of accounts payable and accrued liabilities, interest payable, lease liabilities, convertible debentures, loans and bonds.

ii) Fair value of financial instruments

Financial instruments recognized in the consolidated statements of financial position at fair value include cash. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between unrelated participants at the measurement date. Fair values of accounts receivable, interest receivable, accounts payable and accrued liabilities, interest payable and convertible debentures approximate their carrying values due to their short-term nature.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the following valuation techniques:

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

Cash is measured at fair value based on a Level 1 designation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Financial Instruments *(cont'd…)*

iii) Impairment of financial assets

The Company assesses impairment of financial assets at each reporting date. A financial asset is impaired if there is objective evidence that one or more loss events, occurring after the initial recognition of the asset, impacts the estimated future cash flows of the financial asset. Objective evidence that financial assets are impaired includes significant financial and other difficulty of the borrower or issuer, default or delinquency of a borrower, restructuring of amounts due on terms that the Company would not consider otherwise, other indications that a borrower or issuer will enter bankruptcy and adverse changes in the payment status of the borrower.

Loss allowances are estimated for expected credit losses resulting from default events that are possible within 12 months after the reporting date, and for lifetime expected losses for financial assets where the credit risk increased significantly since initial recognition.

For the purpose of an individual evaluation of impairment, the amount of impairment loss on a financial asset is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current effective interest rate determined under the contract.

For the purpose of a collective evaluation of impairment, financial assets are characterized on the basis of similar risk characteristics. Those characteristics are relevant to the estimation of future cash flows for such assets by being indicative of the counterparties' ability to pay all amounts due according to the contractual terms of the financial assets being evaluated. Future cash flows of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for the assets with credit risk characteristics similar to those being evaluated.

The carrying amount of the financial assets are reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively linked to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

iv) Derecognition of financial instruments

Financial assets are derecognized when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. If the Company has neither transferred nor retained substantially all the risks and rewards of the transferred financial asset, it assesses whether it has retained control over the transferred asset. If control has been retained, the Company recognizes the transferred asset to the extent of its continuing involvement. If control has not been retained, the Company derecognizes the transferred asset. Any difference between the carrying amount of the asset and the consideration which is determined to have been received is recognized in profit or loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Any difference between the carrying amount of the liability extinguished and the consideration paid is recognized in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Interest revenue and interest expense

Interest revenue and interest expense are recognized in profit or loss using the effective interest method. The effective interest method uses the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation of the effective interest method includes all fees and costs paid or received between parties to the contract that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. Loan origination fees and fees that are considered to be adjustments to loan yield are recognized using the effective interest method. The effective interest method capitalizes fees and transaction costs on the consolidated statement of financial position and amortizes them to interest income over the expected life of the related financial asset or financial liability. Once a financial asset has been written down as a result of an impairment loss, interest revenue is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Subscription fees

The Company offers web-based software solutions to its consumers and may either bill its consumers on a monthly basis or for a specified subscription term. When collectability is reasonably assured, the Company records subscription fee income on a monthly basis over the term of the underlying service contract or if no service contract, on a monthly basis.

Service fees

Service fees include loan fees, late payment fees and other fees related to administering loans to the Company's consumers. Services fees are recorded as income when collectability is reasonably assured and the service is completed.

Office furniture and equipment

Office furniture and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recorded using either the declining balance or the straight-line method and is intended to depreciate the costs of assets over their estimated useful lives:

Office furniture	20% declining balance
Computer hardware	55% declining balance
Leasehold improvements	3 years straight line
Right-of-use assets	3 years straight line

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Intangible assets *(cont'd…)*

Amortization is recorded annually using the straight-line method and is intended to amortize the costs of the intangible assets over their estimated useful lives:

Internally generated software	10 years straight line
Score-Up platform	10 years straight line
Credit Meds software	10 years straight line
Inverite platform	10 years straight line
Trademark	Indefinite

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered any impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Leases *(cont'd…)*

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

Income taxes

Income tax expense is composed of current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' deficiency or in other comprehensive income.

Current tax

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

Deferred tax

Deferred tax is recognized with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset when it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributed to the issuance of new shares are shown in equity as a reduction, net of tax, of the proceeds received on issue.

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve.

Loss per share

The Company presents the basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares. As at December 31, 2020 and 2019, the Company's potential common shares from outstanding share purchase options and warrants have not been considered in calculating diluted earnings per share as their effect would be anti-dilutive.

Use of Estimated and Judgments

The preparation of these consolidated financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognized in the period in which the estimate is revised and all future periods which are affected by the change in estimate. The principal areas where critical estimates and judgments have been applied are described below:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Use of Estimated and Judgments *(cont'd…)*

Impairment losses on loans receivable

The Company regularly reviews its loans receivable for potential impairment. In determining whether an impairment loss should be recorded in profit or loss, the Company considers whether there is any observable data indicating that an increase in the credit risk or a decrease in the estimated future cash flows from a loan has occurred. This evidence may include observable data indicating that there has been an adverse change in the payment status of the borrower. Management uses estimates based on valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required. The estimates include future market interest rates.

Impairment of intangible assets

Intangible assets which are available for use and have a definite useful life are assessed for indicators of impairment at the end of each reporting period. If indicators of impairment exist, the Company will test those intangible assets for impairment. The Company tests intangible assets with an indefinite useful life and intangible assets which are not yet ready for use on an annual basis. Significant judgment is required in determining the useful lives and recoverable amounts of intangible assets, and assessing whether certain events or circumstances constitute objective evidence of impairment. Estimates of the recoverable amounts of the intangible assets rely on certain inputs, including future cash flows and discount rates. Future cash flows are based on revenue projections and allocated costs which are estimated based on forecast results and business initiatives. Discount rates are based on market interest rates.

Income taxes

Income tax expenses recorded in these consolidated financial statements are not final until tax returns are filed and accepted by taxation authorities. Therefore, results of operations in future reporting periods may be affected by the difference between the income tax expense estimates and the final tax assessments. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income. The assessment is based on enacted tax acts and estimates of future taxable income.

Business combinations

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the year ended December 31, 2019, Marble completed the acquisition of the shares of each of Score-Up and Credit Meds (Note 4) and concluded that each of these transactions did not qualify as business combinations under IFRS 3, "Business Combinations.". On April 12, 2021, Marble completed the acquisition of 100% of the shares of Inverite (Note 5) which was accounted for as a business combination at fair value in accordance with IFRS 3, "Business Combinations" as the operations of Inverite meet the definition of a business. The acquired assets and assumed liabilities were adjusted to their fair values assigned through completion of a purchase price allocation, as described in Note 5. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. The valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied.

(Presented in Canadian Dollars)

4. ACQUISITION OF SCORE-UP AND CREDIT MEDS

On August 1, 2019, Marble acquired 100% of the issued and outstanding common shares of each of Score-Up and Credit Meds, two privately held Canadian corporations. In consideration for the outstanding common shares, Marble paid cash consideration of $60,000 for the acquisition of Credit Meds and issued 590,459 common shares for the acquisition of Score-Up. Both transactions were accounted for as asset acquisitions.

Score-Up

Score-Up is a proprietary software platform that employs scientific analytical mathematical software based on rigorous credit weight algorithms, analyzing an individual's credit data, financial information, and behavioral patterns to identify where the greatest positive impact can be achieved on a specific credit file. The purchase price of $118,092 was allocated as follows:

Purchase price consideration		
Value of 590,459 common shares issued at $0.20	$	118,092
Assets acquired and liabilities assumed		
Accounts receivable		4,252
Intangible assets		206,520
Right-of-use assets		26,668
Loans payable		(92,680)
Lease liabilities		(26,668)
	$	118,092

Accounts receivable included HST receivable. Score-Up’s intangible assets consisted of its proprietary software platform and are amortized over a 10-year term. The Company incurred additional fees of $40,373 upon acquisition of Score-Up to develop the intangible asset, which were included in prior period additions (Note 9). Right-of-use assets and lease liabilities consisted of an office lease with a term of 15 months that was discounted using an incremental borrowing rate of 10% per annum (Notes 8 and 13).

Loans payable assumed consisted of two business development loans (the “BDC Loans”) in the amounts of $26,000 and $66,680 respectively. The BDC Loans bear interest at 8.05% per annum. There were 60 monthly payments inclusive of principal and interest on the $26,000 loan that commenced on August 10, 2019, with the final payment due on October 10, 2024. The loan with remaining value of $66,680 had an original principal of $100,000 and had 40 remaining payments at the date of acquisition, with the final payment due on November 10, 2022. During the year ended December 31, 2021, the Company made aggregate payments on the BDC Loans in the amount of $25,164 inclusive of interest and administration fees of $3,874 (Note 10).

Credit Meds

Credit Meds is a front-end diagnostic tool that allows the Company to assess the financial health of a consumer and provide the appropriate prescription and recommendations towards financial wellness and recovery. The purchase price of $60,000 was allocated as follows:

Purchase price consideration		
Cash	$	60,000
Assets acquired and liabilities assumed		
Intangible assets	$	60,000

The intangible assets acquired include the intellectual property related to the financial health diagnostic tool which will be amortized over a 10-year term (Note 8). As at December 31, 2021, the assets are not yet in use and amortization has not commenced.

(Presented in Canadian Dollars)

5. ACQUISITION OF INVERITE

On April 12, 2021, the Company acquired all of the issued and outstanding shares of Inverite for a purchase price of $1,460,000 plus an earn out provision of up to $2,500,000 which will be based on a multiple of annual incremental revenues ("AIR") of Inverite over the two consecutive one-year periods following the closing date, payable in cash or common shares at the option of the Company. The effective price of any common shares issued in satisfaction of the payment of any portion of the earn-out amount will be the greater of (i) the volume weighted average price of the common shares of the Company for the 10 consecutive trading days preceding the last day of the applicable earn-out period, and (ii) closing share price on the last trading day prior to the closing date, which was $0.235 per share.

The transaction was accounted for as a business combination and, as the operations of Inverite meet the definition of a business, all transaction costs were expensed. The goodwill resulting from the allocation of the purchase price to the total fair value of net assets will represent the sales and growth potential of Inverite.

Inverite is a Canadian open banking and consumer-directed finance provider offering banking verification solutions to the financial services industry for income verification, credit decisioning, fraud reduction, and know-your client/anti-money laundering purposes.

The fair value of the consideration transferred has been allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition as follows:

Purchase price consideration		
Cash	$	1,460,000
Estimated fair value of earn-out provision		982,000
	$	2,442,000
Assets acquired and liabilities assumed		
Working capital	$	37,378
Loan payable		(40,000)
Deferred income tax liability		(386,432)
Intangible assets		1,431,230
Goodwill		1,399,824
	$	2,442,000

6. LOANS RECEIVABLE

The Company provides loans to consumer debtors who meet the Company's evaluation criteria and who will use the borrowed funds to settle debts under formal or informal debt restructuring plans agreed upon by the creditors of the consumer debtors. The majority of the loans issued to consumer debtors are unsecured. The loans receivable generally bear interest between 18.99% and 24.99% and mature between three and seven years from the date of issuance.

Loans receivable and interest receivable

		December 31, 2021		**December 31, 2020**
Unsecured personal loans	$	1,398,492	$	2,469,131
Mortgages		759		8,747
Less: allowance for loan impairment		(98,289)		(220,000)
Total loans and interest receivable, net of allowance for loan impairment		1,300,961		2,257,878
Interest receivable		(66,456)		(36,034)
Loans receivable, current portion		(461,565)		(794,643)
Loans receivable – non-current portion	$	772,940	$	1,427,201

(Presented in Canadian Dollars)

6. LOANS RECEIVABLE *(cont'd…)*

Reconciliation of allowance for loan impairment

	December 31, 2021	December 31, 2020
Balance, beginning of the period / year	$ 220,000	$ 235,983
Loans receivable recovered (written off)	-	(363,473)
Change in provision for impairment losses	(121,711)	347,490
Balance, end of the period / year	$ 98,289	$ 220,000

The Company makes estimates of expected loan receivable impairment losses based on the probability of credit losses occurring and considering the delinquency of the loans outstanding, past experiences regarding losses, and an ongoing assessment of the market and of individual consumer debtors. The Company also categorizes its loans by the number of days the loan payments are past due and estimates the probability of credit losses within these categories. The allowance for credit losses is maintained at a level that the Company considers adequate to absorb credit-related losses and due to the nature of the loan portfolio, the allowance for loan impairment is based on lifetime expected credit losses. The allowance for credit losses of $98,289 represents 7.56% of the Company's outstanding loans receivable balance, inclusive of interest receivable, as at December 31, 2021 (2020 – 8.88%). The decrease in allowance for credit losses as a percentage of the loan portfolio is due to a change in underlying assumptions about the Company's loan portfolio, more specifically, a decrease in loans where payments are past due and change in expectation of loan repayments as a result of the impact of the COVID-19 pandemic in 2020 relative to 2021 on the financial condition of the Company's consumer debtors.

A loan receivable is considered past due when a consumer debtor has not made a payment by the contractual due date and written off when the consumer debtor has declared bankruptcy or applied for a consumer protection, or the Company has sent the loan receivable to an external collection agency for collections. During the year, the Company wrote-off $Nil (2020 – $363,473) in loans receivable.

In prior years, loans receivable that were written-off were offset by a draw-down of a forbearance contingency, the amount of which was limited to the total funds available in the forbearance contingency. In December 2019, the Company discontinued the recognition of a forbearance contingency and the reserve was written off during the year ended December 31, 2020. The Company continues to collect forbearance fees on loans under the original terms of the pre-existing loan agreements, which are recorded as service fee income.

Loans receivable past due but not impaired

The following table presents the carrying values of loans that are past due but not classified as impaired because: (i) the Company is in continuous contact with the consumer debtor and the Company and the consumer debtor have established an appropriate repayment plan, or (ii) the loan receivable is secured and the fair value of the collateral is sufficient to cover the carrying value of the loan receivable. Loans and interest receivable that are past due but not impaired at December 31, 2021 and December 31, 2020 are as follows:

December 31, 2021	30-60 days	61-90 days	Over 90 days	Total
Personal loans	$ 29,264	$ 21,859	$ 261,695	$ 312,818
Mortgages	-	-	759	759
Total past due, but not impaired	$ 29,264	$ 21,859	$ 262,454	$ 313,577

December 31, 2020	30-60 days	61-90 days	Over 90 days	Total
Personal loans	$ 46,271	$ 23,632	$ 155,225	$ 225,128
Mortgages	-	-	8,747	8,747
Total past due, but not impaired	$ 46,271	$ 23,632	$ 163,972	$ 233,875

(Presented in Canadian Dollars)

6. LOANS RECEIVABLE *(cont'd…)*

Contractual maturities

	Under 1 year	1-5 years	Over 5 years	Total
Unsecured personal loans	$ 569,742	$ 802,005	$ 26,744	$ 1,398,491
Mortgages	15	744	-	759
Total loans receivable	$ 569,757	$ 802,749	$ 26,745	1,399,250
Less: allowance for credit losses				(98,289)
Loans and Interest receivable, net				$ 1,300,961

7. FURNITURE, EQUIPMENT, AND RIGHT-OF-USE ASSETS

	Leasehold Improvement	Right-of-use assets	Furniture	Computers	Total
Cost					
December 31, 2019	$ 5,404	$ 510,637	$ 31,226	$ 22,050	$ 569,317
Additions	-	-	4,135	-	4,135
December 31, 2020	$ 5,404	$ 510,637	$ 35,361	$ 22,050	$ 573,452
Additions	-	5,125	-	16,294	21,419
Disposals	-	(485,544)	-	-	(485,544)
December 31, 2021	$ 5,404	$ 30,218	$ 35,361	$ 38,344	$ 109,327
Accumulated Amortization					
December 31, 2019	$ 5,404	$ 62,664	$ 12,677	$ 15,458	$ 96,203
Amortization	-	179,101	4,123	3,626	186,850
December 31, 2020	5,404	241,765	16,800	19,084	283,053
Amortization	-	57,639	3,712	3,776	65,127
Disposals	-	(269,186)	-	-	(269,186)
December 31, 2021	$ 5,404	$ 30,218	$ 20,512	$ 22,860	$ 78,994
Carrying values					
December 31, 2020	$ -	$ 268,872	$ 18,561	$ 2,966	$ 290,399
December 31, 2021	$ -	$ -	$ 14,849	$ 15,484	$ 30,333

(Presented in Canadian Dollars)

8. INTANGIBLE ASSETS

	Internally developed software	Score-Up platform	Credit Meds software	Trademark	Inverite platform	Total
Cost						
December 31, 2019 and 2020	$ 409,084	$ 246,893	$ 60,000	$ 17,567	$ -	$ 733,544
Internal development	30,116	-	-	-	-	30,116
Acquisition	-	-	-	-	1,431,230	1,431,230
December 31, 2021	$ 439,200	$ 246,893	$ 60,000	$ 17,567	$ 1,431,230	$ 2,194,890
Accumulated Amortization						
December 31, 2019	$ 30,681	$ 10,287	$ -	$ -	$ -	$ 40,968
Amortization	40,908	24,689	-	-	-	65,597
December 31, 2020	71,589	34,976	-	-	-	106,565
Amortization	42,414	24,690	-	-	101,379	168,483
December 31, 2021	$ 114,003	$ 59,666	$ -	$ -	$ 101,379	$ 275,048
Carrying values						
December 31, 2020	$ 337,495	$ 211,917	$ 60,000	$ 17,567	$ -	$ 626,979
December 31, 2021	$ 325,197	$ 187,227	$ 60,000	$ 17,567	$ 1,329,851	$ 1,919,842

Trademarks are assessed as having an indefinite useful life because they do not expire and the Company expects to continue to benefit from their use.

9. CONVERTIBLE DEBENTURES

In March 2020, Marble closed a private placement offering of unsecured convertible debentures (the "Debentures") with an aggregate principal amount of $400,000. In October 2020, the Company closed a second tranche and issued Debentures with an aggregate principal amount of $160,000. The Debentures had a one-year term from the dates of issuance and accrued simple interest at a rate of 12% per annum, payable quarterly. The principal amount of the Debentures and all accrued, but unpaid, interest were convertible at the option of the holder into common shares of Marble at a price of $0.30 per common share. The Company allocated $33,292 to the equity component of the Debentures. In December 2020, the Company redeemed Debentures with principal amounts of $100,000. During the year ended December 31, 2021, the remaining Debentures principal balance of $460,000 was converted into 1,533,333 common shares of Marble, which resulted in a loss on settlement of $22,036.

On April 7, 2021, the Company closed a non-brokered private placement of unsecured convertible debentures (the "New Debentures") with an aggregate principal amount of $1,303,000. The New Debentures had a 15-month term from the date of issuance and accrue simple interest at a rate of 10% per annum, payable semi-annually. The principal amount of the New Debentures and all accrued but unpaid interest are convertible, at the option of the holder, into units at a price of $0.30 per unit. Each unit is comprised of one common share and one-half of one share purchase warrant, with a whole warrant exercisable to purchase a common share at a price of $0.45 until 21 months after the closing date. The Company may force conversion of the principal amount into units at $0.30 per unit if at any time after four months and a day after the closing date, the common shares have traded or closed on

(Presented in Canadian Dollars)

9. CONVERTIBLE DEBENTURES *(cont'd…)*

the CSE at $0.60 or more for 10 consecutive trading days. In connection with the private placement, the Company paid an aggregate of $40,150 in finder fees and issued an aggregate of 133,832 finder warrants with an estimated fair value of $9,641 using the Black-Scholes pricing model using the following weighted average assumptions:

Risk-free rate	0.26%
Expected life of finder warrants	1.25 years
Annualized volatility	80%
Dividend rate	0%

Each finder warrant is exercisable into one common share at a price of $0.30 for a period of 15 months following closing. (See Note 14).

In August 2021, the Company entered into amending agreements with the New Debentures holders to extend the maturity date from July 7, 2022 to December 31, 2022, and in respect of the underlying warrants issuable on conversion to extend their expiry date from January 7, 2023 to June 30, 2023.

The following is a continuity of the Debentures and New Debentures:

	December 31, 2021	December 31, 2020
Balance, beginning of year	$ 422,495	$ -
Additions	1,303,000	560,000
Debt issuance costs	(49,791)	-
Payments	(10,741)	(27,173)
Redemption	(424,700)	(156,627)
Interest on Debentures	7,292	48,729
Accretion of convertible debentures	71,229	24,913
	1,318,784	449,842
Equity component of convertible debentures	(115,338)	(27,347)
Balance, end of year	$ 1,203,446	$ 422,495

10. LOANS PAYABLE

As part of the Government of Canada's response to the COVID-19 global pandemic, certain businesses were eligible to apply for loans under the Canada Emergency Business Account ("CEBA"). The CEBA loan program provides companies with a $40,000 interest free loan to be used to cover non-deferrable operating expenses during the period where operations had been temporarily reduced due to the economic impacts of the COVID-19 virus. During the year ended December 31, 2020, the Company received a $40,000 CEBA loan (the "CEBA Loan"). The CEBA Loan remains interest free until December 31, 2022 and has no fixed repayment schedule. If $30,000 is repaid on or before December 31, 2022, the remaining $10,000 will be forgiven. If any amount remains unpaid at December 31, 2022, the Company will enter into an extension agreement whereby it will accrue interest at 5% per annum, with a repayment schedule to be determined at that time.

As part of the acquisition of Inverite, the Company acquired an additional $30,000 of CEBA loans under the same repayment terms as the CEBA Loan.

The Company has made no repayments on the CEBA Loan during the year ended December 31, 2021. On January 12, 2021, the Government of Canada announced that it would extend the debt repayment forgiveness deadline to December 31, 2023.

(Presented in Canadian Dollars)

10. LOANS PAYABLE *(cont'd…)*

The following is a summary of the Company's loans payable:

	December 31, 2021	December 31, 2020
BDC Loans payable (Note 5)	$ 45,539	$ 70,703
CEBA Loans	70,000	40,000
Total loans payable	115,539	110,703
Loans payable – current	(95,164)	(25,164)
Loans payable – non-current	$ 20,375	$ 85,539

11. CREDIT FACILITY

On July 26, 2021 the Company secured funding for new Fast-Track loans through a definitive credit facility agreement (the "Credit Facility Agreement") amongst Marble, 1301771, TPFM, and CHP Agent Services Inc. ("CHP"), a subsidiary of Cypress Hills Partners Inc. The Credit Facility Agreement provides for a $10 million credit facility to Marble, through 1301771 as borrower, with TPFM as servicing agent for originations, adjudications, administration and monitoring of the new Fast-Track loans, and CHP acting as administrative and collateral agent on behalf of the lenders. The aggregate amount of the funding is determined as a selected percentage (the "Advance Rate") of the outstanding Eligible Customer Loans (as defined in the Credit Facility Agreement) in the loan portfolio, adjusted for customer loan payments received less accrued but unpaid amounts owing to CHP and the Lenders under the Credit Facility Agreement (the "Borrowing Base"), with an initial Advance Rate at 95% (the maximum) and a minimum threshold of 80%. The current amount of the credit facility is $10,000,000 (the "Facility Amount"), with an option to increase the amount to $20,000,000 upon mutual agreement. Interest is charged at Canadian Prime (subject to a ceiling of 5.0% and a floor of 3.5%) plus 13%, with a provisional discount if the Advance Rate is less than 95%. The maturity date for all funds advanced is three years after the date of the first funding advance, with an option to extend for a further two years upon mutual agreement. In connection with the Credit Facility Agreement, 1301171 has provided a general security agreement ("GSA") and each of Marble and TPFM has provided a limited guarantee and a "bad act" guarantee together with a GSA. Upon borrowing funds, the Company must also maintain $300,000 in unrestricted cash, and the Company has provided CHP with board of director observer rights and a right of first refusal on any additional debt or securitization financing beyond the Facility Amount. As at December 31, 2021, $Nil has been borrowed pursuant to the Credit Facility Agreement.

12. BONDS

	December 31, 2021	December 31, 2020
10% bonds – original offering (Note 12(a))	$ 655,189	$ 618,688
9% bonds – new offering (Note 12(b))	645,372	677,433
8% bonds – new offering (Note 12(b))	20,000	45,000
10% bonds – amended (Note 12(c))	3,587,749	3,570,237
10% bonds – new offering (Note 12(c))	250,000	250,000
Total bonds, net of associated transaction costs	5,158,310	5,161,358
Bonds payable – current	(3,380,475)	(1,977,869)
Bonds payable – non-current	$ 1,777,835	$ 3,183,489

12. BONDS *(cont'd…)*

a) **10% bonds – original offering**

During previous years, the Company had issued an offering memoranda (the "Original Offering") for unsecured bonds of up to a maximum of 15,000 bonds at a price of $1,000 per bond, for expected total gross proceeds of $15,000,000. The Original Offering was closed on July 15, 2016 when the New Offering commenced (Note 12(c)).

At the time of purchase, subscribers elected one of the following options with respect to the 10% interest payable on the bonds:

- a bond which entitled the holder to 10% simple interest per annum, payable quarterly at the equivalent quarterly rate of 2.5% within 15 business days of March 15, June 15, September 15 and December 15 of each year during the term of the bond; or
- a bond which entitled the holder to 10% compound interest calculated annually and payable on the date the bonds are redeemed by the Company in accordance with the terms of the Original Offering.

In the absence of written notice from the bondholder on or before August 31, 2018, the bonds shall mature on November 30, 2023 (the "Second 10% Maturity Date").

Subject to (i) an annual maximum redemption limit of 10% of the bonds outstanding as of the last day of the previous calendar year, and (ii) cash flow of the Company, any individual bondholder may request an early redemption by providing 90 days prior written notice (the "Early Redemption Notice"). Bondholders who redeem some or all of their bonds prior to the First and/or Second 10% Maturity Dates are subject to the following redemption fees:

- Early Redemption Notice received between December 1, 2018 and November 30, 2019 - a redemption fee equal to 5% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2019 and November 30, 2020 - a redemption fee equal to 4% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2020 and November 30, 2021 - a redemption fee equal to 3% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2021 and November 30, 2022 - a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received between December 1, 2022 and November 29, 2023 - a redemption fee equal to 1% of the principal amount of the bonds being redeemed by the Company.

Redemption fees are deducted by the Company from the redemption amount to be paid to the bondholder.

During the period ended December 31, 2021, no bonds under the Original Offering were redeemed.

b) 8% and 9% bonds – new offering

On July 15, 2016, the Company issued a new offering memorandum (the "New Offering") for a maximum of 50,000 unsecured bonds, at a price of $1,000 per bond, for expected total gross proceeds of $50,000,000 and comprising of 1 year 8% bonds and 3 year 9% bonds. The 8% bonds can be redeemed on the first anniversary of the date of issue to the bondholder (the "First 8% Maturity Date") and the 9% bonds can be redeemed on the third anniversary of the date of issue to the bondholder (the "First 9% Maturity Date").

At the time of purchase, the subscribers elected one of the following two options with respect to the 8% or 9% interest payable on the bonds:

12. BONDS *(cont'd…)*

- the bond entitled the holder to 8% or 9% simple interest per annum, payable monthly at the equivalent monthly rate of 0.67% or 0.75%, respectively, within 15 business days of the end of each month, during the term of the bond; or

- the bond entitled the holder to 8% or 9% compound interest calculated annually and payable on the date the bond is redeemed by the Company in accordance with the terms of the New Offering.

In the absence of written notice from the bondholder at least 90 days prior to the First 8% Maturity Date or the First 9% Maturity Date, the bonds shall mature on the following dates:

- in the case of the 8% bonds, on the next occurring anniversary of the First 8% Maturity Date if at least 90 days prior to such anniversary a redemption notice has been delivered (the "Subsequent 8% Maturity Date"); and
- in the case of the 9% bonds, on the third anniversary of the First 9% Maturity Date (the "Second 9% Maturity Date").

On each Subsequent 8% Maturity Date and the Second 9% Maturity Date, the Company can redeem all 8% bonds that have not been reinvested (that is, where the maturity date has not been extended) and all 9% bonds, respectively, outstanding on that date by payment of the principal amount of the bonds and all accrued and unpaid interest thereon. Subject to (i) an annual maximum redemption limit of 10% of the bonds outstanding as of the last day of the previous calendar year, and (ii) cash flow of the Company, any individual bondholder may request redemption of some or all of their bonds by providing 90 days prior written notice (the "Early Redemption Notice").

8% bondholders who redeem some or all of their bonds prior to the First and/or Subsequent 8% Maturity Date are subject to a redemption fee equal to 2.5% of the principal amount of the bonds being redeemed by the Company.

9% bondholders who redeem some or all of their bonds prior to the First and/or Second 9% Maturity Date are subject to the following redemption fees:

- Early Redemption Notice received on or after the second anniversary, but prior to the third anniversary, of the date the bond was issued – a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company, except where a bondholder's request is in accordance with the First 9% Redemption Notice.
- Early Redemption Notice received on or after the third anniversary, but prior to the fourth anniversary, of the date the bond was issued – a redemption fee equal to 6% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received on or after the fourth anniversary, but prior to the fifth anniversary, of the date the bond was issued – a redemption fee equal to 4% of the principal amount of the bonds being redeemed by the Company.
- Early Redemption Notice received on or after the fifth anniversary, but prior to the sixth anniversary, of the date the bond was issued – a redemption fee equal to 2% of the principal amount of the bonds being redeemed by the Company.

Redemption fees are deducted by the Company from the redemption amount to be paid to the bondholder.

During the year ended December 31, 2021, a total of $25,000 of 8% bonds and $51,661 of 9% bonds were redeemed.

(Presented in Canadian Dollars)

12. BONDS *(cont'd…)*

c) Amended 10% bonds

On November 15, 2018, the Company amended the terms of 10% bonds (Note 12(a)) with a total principal value of $3.08 million and 8% bonds (Note 12(b)) with a total principal value of $415,000. The maturity date of the bonds has been extended from November 30, 2018 to November 30, 2023, with principal repayments to be made in 16 equal instalments, payable on the 15th day of March, June, September and December of each year beginning on March 15, 2020. Interest on the outstanding principal of the 10% bonds accrue at 10% simple interest per annum and is due on a quarterly basis, beginning on December 15, 2018. On November 15, 2018, the Company further amended the repayment of interest to commence on March 15, 2019. Interest on the outstanding principal of the 8% bonds is payable on a monthly basis. The Company has deferred the principal repayments until the Company is in a position to make the cash payments.

The amendments of the bond terms became effective on March 21, 2019 when the initial public offering was completed and the Company became a reporting issuer.

On June 26, 2018, the Company issued additional bonds with a principal amount of $250,000 with the same terms as the amended bonds.

13. LEASE LIABILITIES

During the year ended December 31, 2019, the Company entered into a new head office lease and acquired a lease through the acquisition of Score-Up.

On January 21, 2021, the Company entered into a sublease agreement of its head office, commencing May 1, 2021 and expiring August 30, 2022. The sublease is for the amount of $214,474 per annum and will reduce the Company's minimum lease payments by $114,040 over the sublease term. During the year ended December 31, 2021, the Company recorded a loss of $1,884 on recognition of the sublease and derecognized the corresponding right-of-use asset.

The following summarizes the remaining undiscounted minimum lease payments under the lease liabilities as at December 31, 2021:

Fiscal year		**Payment**
2022		128,895
Amount representing future lease accretion		(3,665)
Total lease liability		125,230
Lease liabilities, current portion		(125,230)
Lease liabilities, non-current portion	$	-

The following is a reconciliation of the changes in the lease liabilities:

		December 31, 2021		**December 31, 2020**
Opening balance	$	300,443	$	457,418
Lease accretion		20,123		36,596
Payments		(195,336)		(193,571)
Lease liabilities	$	125,230	$	300,443

14. SHARE CAPITAL *(cont'd…)*

Authorized share capital

- An unlimited number of common shares without par value.
- An unlimited number of non-voting shares without par value.
- An unlimited number of special shares without par value.

Escrow shares

As of December 31, 2021, 1,041,522 common shares are held in escrow (December 31, 2020 – 3,124,568) pursuant to an Escrow Agreement entered into in conjunction with Marble's initial public offering and listing on the CSE. Common shares are released from escrow as to 10% on the listing date and the balance in equal 15% tranches to be released every six months from the listing date.

Issued share capital

As at December 31, 2021, Marble had 93,220,153 (December 31, 2020 – 71,696,497) common shares issued and outstanding. No non-voting shares and no special shares are issued and outstanding.

During the year ended December 31, 2021, Marble completed the following share issuances:

a) On January 22, 2021, Marble launched a 12-month online marketing campaign through AGORACOM Internet Relations Corp. The total cost of the campaign is $75,000 plus applicable taxes, payable through the issuance of common shares with the first 20% of the fee payable on the commencement date and 20% at the end of each of the third, sixth, ninth and twelfth months thereafter. Marble issued 40,843 common shares on January 27, 2021 from treasury, for the first installment of the fee plus applicable taxes. The fair value of the 40,843 common shares was determined to be $15,000 plus tax. As at December 31, 2021, Marble has yet to issue shares representing the fees payable for the second, third, fourth and fifth installments. As a result, Marble has recorded $67,800 of shares issuable.

b) On February 2, 2021, Marble closed a non-brokered private placement and issued 2,000,000 units at a price of $0.25 per unit for gross proceeds of $500,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of $0.35 for a period of 12 months following the closing date, subject to accelerated expiry if the common shares trade or close at a price of $0.45 or more for 10 consecutive trading days on the CSE. In connection with the private placement, the Company paid cash finders' fees of $6,300.

   During the review of the second quarter financial statements it was discovered that 400,000 units were subscribed for but not paid for. The Company was in possession of the 400,000 units and returned the 400,000 shares to treasury and cancelled the 200,000 warrants issued.

c) On February 22, 2021, Marble issued an aggregate of 1,533,333 common shares pursuant to the conversion of $460,000 principal amount of Debentures at a price of $0.30 per common share (see Note 9).

d) On March 25, 2021, Marble closed a non-brokered private placement and issued 2,333,334 units at a price of $0.30 per unit for gross proceeds of $700,000. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of $0.45 for a period of 12 months following the closing date, subject to accelerated expiry if the common shares trade or close at a price of $0.55 or more for 10 consecutive trading days on the CSE.

e) On May 31, 2021, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of $4,125 was transferred from the share purchase option reserve to share capital as a result.

14. SHARE CAPITAL *(cont'd…)*

f) On September 24, 2021, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of $5,750 was transferred from the share purchase option reserve to share capital as a result.

g) On November 1, 2021, Marble issued 25,000 common shares pursuant to the exercise of restricted share units. An aggregate of $5,750 was transferred from the share purchase option reserve to share capital as a result.

h) On November 22, 2021, Marble issued an aggregate of 200,000 common shares pursuant to the exercise of restricted share units. An aggregate of $37,000 was transferred from the share purchase option reserve to share capital as a result.

i) On November 29, 2021 Marble completed the first tranche of a non-brokered private placement and issued 10,629,232 units at a price of $0.13 per unit for gross proceeds of $1,381,800. Each unit is comprised of one common share and one-half of a common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of $0.15 for a period of 12 months following the closing date. In connection with the private placement, Marble issued an aggregate of 183,750 finders' units with the same terms as the units.

j) On December 14, 2021, Marble issued 50,000 common shares pursuant to the exercise of restricted share units. An aggregate of $7,750 was transferred from the share purchase option reserve to share capital as a result.

k) On December 17, 2021 Marble completed the second tranche of a non-brokered private placement and issued 4,755,384 units at a price of $0.13 per unit for aggregate gross proceeds of $618,200. As part of this second closing, the Company paid a total of 122,780 finders' units to certain finders on the same terms as the units.

During the year ended December 31, 2020, Marble completed the following share issuances:

a) On June 3, 2020 and November 27, 2020, Marble issued 25,000 and 50,000 common shares, respectively, pursuant to the exercise of restricted share units. An aggregate of $12,375 was transferred from the share purchase option reserve to share capital as a result.

b) On December 23, 2020, Marble closed a non-brokered private placement and issued an aggregate of 15,567,401 units at a price of $0.15 per unit for gross proceeds of $2,335,110. Each unit is comprised of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share at a price of $0.25 for a period of two years from the closing date. Warrants are subject to accelerated expiry if the common shares trade or close at a price of $0.35 or more for 10 consecutive trading days on the CSE. In connection with the private placement, Marble incurred share issuance costs of $12,705 and, issued an aggregate of 346,033 finders' warrants with the same terms as the unit warrants. The finders' warrants have an estimated fair value of $8,155 using the Black-Scholes pricing model and the following assumptions: a share price of $0.15, expected life of one year, a volatility of 80%, and a risk-free interest rate ranging from 0.21% to 0.27%. In addition to the finders' fees and warrants, Marble also issued a total of 303,333 finders' units with the same terms as the private placement units. These finders' units were deemed to have a fair value of $0.15 per unit.

(Presented in Canadian Dollars)

14. SHARE CAPITAL *(cont'd…)*

Share purchase options

The Company has a share purchase option plan (the "Share Purchase Option Plan") under which it is authorized to grant options for the acquisition of its common shares to directors, employees and consultants up to a maximum of 10% of the issued and outstanding common shares of Marble at the time the plan was adopted. The exercise price shall not be less than the market price of Marble's common shares as at the grant date and in accordance with CSE policies. The options may be granted for a maximum term of five years. Options granted to directors, employees and consultants, other than consultants engaged in investor relations activities, will generally be subject to standard vesting provisions as to 25% on the date of grant and 25% on each anniversary date, such that all share purchase options fully vest over three years from the date of grant, unless otherwise determined by Marble's Board of Directors. Share purchase options granted to consultants engaged in investor relations activities will vest in stages over a minimum period of twelve months, pursuant to the Share Purchase Option Plan and as determined by Marble's Board of Directors.

During the year ended December 31, 2021, Marble granted 3,910,000 share purchase options (2020 – 1,500,000). The weighted average fair value of the options granted during the year ended December 31, 2021, was approximately $0.14 per option (2020 - $0.08). The fair value was estimated using the Black-Scholes option pricing model using the following weighted average inputs:

	2021	2020
Risk-free interest rate	0.71%	0.83%
Expected volatility	80%	80%
Expected dividends	0%	0%
Expected life	2.5 years	2.5 years
Grant date share price	$ 0.30	$ 0.18

Expected volatility was determined based on the historical volatility of Marble's common shares over a period commensurate with the expected option life. The expected option life incorporates an estimate of early exercise.

For the year ended December 31, 2021, Marble recognized $383,539 (2020 - $157,221) as share-based payments for options vesting during the period.

A summary of share purchase option activity is as follows:

	Number of share purchase options	Weighted Average Exercise Price
Balance, December 31, 2019	6,400,000	$ 0.20
Granted	1,500,000	0.19
Expired / Cancelled / Forfeited	(3,350,000)	0.20
Balance, December 31, 2020	4,550,000	0.20
Granted	3,910,000	0.31
Expired / Cancelled / Forfeited	(2,110,000)	0.14
Balance, December 31, 2021	6,350,000	$ 0.27
Exercisable, December 31, 2021	2,900,000	$ 0.24

The weighted average remaining contractual life of the options outstanding as at December 31, 2021 is 3.14 years. Details of share purchase options as at December 31, 2021 outstanding are as follows:

(Presented in Canadian Dollars)

14. SHARE CAPITAL *(cont'd…)*

Expiry Date	Exercise Price	Number Outstanding	Number Exercisable
March 20, 2024	$ 0.20	1,325,000	993,750
September 23, 2024	$ 0.25	500,000	375,000
November 1, 2024	$ 0.21	175,000	131,250
December 3, 2024	$ 0.21	250,000	187,500
December 30, 2024	$ 0.20	100,000	50,000
January 23, 2025	$ 0.20	100,000	50,000
March 2, 2025	$ 0.19	100,000	50,000
November 30, 2025	$ 0.16	150,000	75,000
December 30, 2025	$ 0.23	300,000	150,000
January 25, 2026	$ 0.40	2,075,000	518,750
May 31, 2026	$ 0.23	375,000	93,750
June 30, 2026	$ 0.21	350,000	87,500
August 27, 2026	$ 0.17	25,000	6,250
October 19, 2026	$ 0.145	25,000	6,250
October 19, 2026	$ 0.12	250,000	62,500
November 30, 2026	$ 0.165	250,000	62,500
		6,350,000	2,900,000

Warrants

A summary of the warrant activity as at December 31, 2021 is as follows:

	Number of warrants	Weighted Average Exercise Price
Balance, December 31, 2019	8,790,000	$ 0.35
Granted	8,281,400	0.25
Expired / Cancelled	(8,790,000)	0.35
Balance, December 31, 2020	8,281,400	$ 0.25
Granted	10,146,070	0.21
Expired / Cancelled	(200,000)	0.35
Balance, December 31, 2021	18,227,470	$ 0.16

The weighted average remaining contractual life of the warrants outstanding as at December 31, 2021 is 0.84 years. Details of warrants outstanding as at December 31, 2021 are as follows:

Expiry Date	Exercise Price	Number Outstanding
October 22, 2022	$ 0.25	1,886,234
December 7, 2022	$ 0.25	1,723,500
December 23, 2022	$ 0.25	4,671,666
February 2, 2022	$ 0.35	800,000
March 25, 2022	$ 0.45	1,166,667
July 7, 2022	$ 0.30	133,832
November 29, 2022	$ 0.15	5,314,615
November 29, 2022	$ 0.15	91,875
December 17, 2022	$ 0.15	2,377,691
December 17, 2022	$ 0.15	61,390
		18,227,470

14. SHARE CAPITAL *(cont'd…)*

Restricted Share Units

During the year ended December 31, 2020, Marble adopted a long-term restricted share unit plan (the "RSU Plan"). The restricted share units ("RSUs") entitle directors, officers or employees to acquire common shares of Marble, based on vesting provisions determined by Marble's Board of Directors at the time of grant.

During the year ended December 31, 2020, Marble granted 100,000 RSUs to a consultant. These RSUs vest 25% on May 28, 2020, and 25% each three months thereafter. Marble valued the RSUs at $0.165 per RSU to be recognized over the vesting term of the RSUs. During the year ended December 31, 2020, Marble recognized $15,810 as share-based payments related to RSUs vested and issued an aggregate of 75,000 common shares pursuant to the exercise of the RSUs. As at December 31, 2020, 25,000 RSUs were outstanding and unvested.

During the year ended December 31, 2021, Marble granted an aggregate of 550,000 RSUs to an officer and consultants. Of these:

- 100,000 vest as to 25% on August 1, 2021, and 25% each three months thereafter. Marble valued the RSUs at $0.185 per RSU to be recognized over the vesting term of the RSUs;
- 300,000 vest as to 50% on October 2, 2021 and 50% on January 2, 2022. Marble valued the RSUs at $0.205 per RSU to be recognized over the vesting term of the RSUs ;
- 50,000 vest as to 100% on Oct 31, 2021. Marble valued the RSUs at $0.125 per RSU to be recognized over the vesting term of the RSUs ; and
- 100,000 vest as to 50% on November 30, 2021, and 25% each three months thereafter. Marble valued the RSUs at $0.155 per RSU to be recognized over the vesting term of the RSUs

During the year ended December 31, 2021, Marble recognized $98,281 as share-based payments related to RSUs and issued an aggregate of 325,000 common shares pursuant to the exercise of the RSUs. As at December 31, 2021, 250,000 RSUs are outstanding.

15. RELATED PARTY TRANSACTIONS

Related parties of the Company include key management personnel, companies controlled by key management personnel and close family members of key management personnel. Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (whether executive or otherwise) of the Company. Key management personnel are composed of the board of directors and executive leadership team.

Compensation

Salaries paid to the Company's key management personnel were $384,000 for the year ended December 31, 2021 (2020 - $170,000).

Consulting fees

Consulting fees paid to the Company's key management personnel and companies controlled by current and former key management personnel were $235,935 (inclusive of GST) for the year ended December 31, 2021 (2020 - $354,926 inclusive of GST). As at December 31, 2021, accounts payable and accrued liabilities included $106,785 (December 31, 2020 - $17,510) owing to key management personnel and companies controlled by key management personnel.

Share purchase option plan

Included in the share-based payments for the year ended December 31, 2021 is $216,332 (2020 - $82,787) related to the fair value of share purchase options vested for key management personnel.

(Presented in Canadian Dollars)

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to provide our solutions to benefit our customers and clients, to provide returns to shareholders and benefits to our stakeholders, and to maintain a flexible capital structure which optimizes the cost of capital to an acceptable risk. The Company considers its capital for this purpose to be its cash, loan receivables, shareholders' deficiency and bonds. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure and the amount of cash, the Company may issue common shares or debt or acquire or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

17. INCOME TAXES

a. Deferred tax assets and liabilities

	December 31, 2021	December 31, 2020
Deferred tax assets		
Allowance for credit losses	$ -	$ 59,400
Office furniture, equipment, and right-of-use assets	26,452	82,507
Deferred financing expenses	4,806	12,511
Share issuance costs	70,072	104,081
Lease liabilities	33,812	81,120
Loss carry forwards	3,864,871	2,641,021
Deferred tax liabilities		
Intangible assets	(118,424)	(134,264)
Other	(31,141)	(7,384)
Net deferred tax assets	3,850,448	2,838,992
Unrecognized deferred tax assets	(3,850,448)	(2,838,992)
Total	$ -	$ -

b. Reconciliation to statutory tax rate

	December 31, 2021	December 31, 2020
Net losses before income taxes	$ (5,055,673)	$ (3,550,730)
Combined federal and provincial statutory income tax rates	27%	27%
Recovery of income taxes based on statutory income tax rates	1,365,032	958,697
Adjustments:		
Non-deductible items	(196,082)	(121,992)
Net effect of deductible (taxable) items	54,900	102,237
Effect of current period losses not recognized	(1,223,850)	(938,942)
Total	$ -	$ -

17. INCOME TAXES *(cont'd…)*

c. Unused tax losses

As at December 31, 2021, the Company had unused non-capital tax losses of $14,314,000 (2020 - $9,781,000) and unused capital losses of $80,000 (2020 - $80,000) that are available to offset against potential tax adjustments or future taxable income and were not recognized as deferred tax assets. The unused non-capital tax losses will expire between 2034 and 2041 and the unused capital tax losses do not expire.

18. RISK MANAGEMENT FRAMEWORK

The Company's risk management policies are established by the Board of Directors to set appropriate risk tolerance limits. Management's responsibility is to identify and analyze the risks faced by the Company and to monitor risks and adherence to limits and implement controls. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and changes in the performance of the loans receivable.

The Company issued various fixed rate bonds to bondholders and seeks to earn an interest rate margin by investing these funds in loans receivable from consumer debtors. This business activity results in a consolidated statement of financial position that consists primarily of financial instruments. The primary types of financial risk which arise from the Company's activities are credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to this risk through its cash held at a financial institution, accounts receivable, interest receivable and loans receivable. For these financial assets recognized on the consolidated statement of financial position, the maximum exposure to credit risk is their carrying amount.

The Company's cash is held at a reputable Canadian financial institution. The Company has not experienced any loss on these accounts, although the balances in the accounts may exceed the insurable limits. The Company considers credit risk from cash to be minimal.

The Company's interest receivable and loans receivable are receivable from its consumer debtors. one of the Company's business activities is to provides loans to high-risk individual borrowers under consumer proposals. The Company attempts to mitigate the credit risk from its consumer debtors by performing a due diligence process on the consumer debtors prior to funding loans. Consumer debtors are referred to the Company by various industry partners, which screen potential consumer debtors for their ability and willingness to repay their obligations and avoid bankruptcy. In addition, the Company will perform additional due diligence work which includes, but is not limited to, verifying income, monthly expenditures, assets and liabilities of the consumer debtors. In addition, after the initial loan is provided to the consumer debtor the Company will continuously monitor the loan receivable. Certain of the Company's loans receivable are secured by vehicles and general security agreements over all of the current and after-acquired assets of the consumer debtor.

Concentration of credit risk exists as the majority of the consumer debtors have comparable geographical and economic characteristics. Consumer debtors are primarily considered high risk individual borrowers and reside in Canada. The maximum credit risk exposure of the Company's loans and interest receivable is $1,399,250 (2020 - $2,477,878).

Liquidity risk

Liquidity risk describes the risk that the Company will not be able to meet its current and future cash flow needs, both expected and unexpected, without materially affecting its daily operations or overall financial condition. As at December 31, 2021, the Company had current assets of $1,908,541 to settle current liabilities of $5,829,177. The Company manages liquidity risk through the management of its capital structure as outlined in Note 16.

(Presented in Canadian Dollars)

18. RISK MANAGEMENT FRAMEWORK *(cont'd…)*

As at December 31, 2021, the contractual maturity of financial liabilities is as follows:

	Less than 3 months	**Between 3 months to 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Greater than 5 years**	**Total**
Accounts payable and accrued liabilities	812,728	-	-	-	-	812,728
Interest payable	198,878	-	-	-	-	198,878
Lease liabilities	48,336	76,894	-	-	-	125,230
Loans payable	6,291	88,873	13,495	6,880	-	115,539
Convertible debentures	-	1,203,446	-	-	-	1,203,446
Bonds	2,266,067	1,114,408	1,777,835	-	-	5,158,310
	3,332,300	2,483,621	1,791,330	6,880	-	7,614,131

Market Risk

In the normal course of its operations, the Company may engage in transactions that give rise to market risk. Market risk is the risk of uncertainty arising from possible market price movements and their impact on the future performance of the Company. Market price movements could adversely affect the value of the Company's financial assets and expected future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return for a given level of risk.

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2021, the Company is not exposed to significant interest rate risk as the Company's financial instruments are all fixed-rate financial assets or fixed rate financial liabilities. Therefore, the Company considers its exposure to interest rate risk to be minimal.

19. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended December 31, 2021, the Company recognized a $58,125 addition to share capital pursuant to the vesting of RSUs and a $7,837 reduction to share capital related to fair value of agents' warrants as share issuance costs (see Note 14). The Company also issued 40,843 common shares, valued at $15,000 plus tax, as payment of the first installment of the fee related to the 12-month online marketing campaign through AGORACOM Internet Relations Corp.

During the year ended December 31, 2020, the Company recognized a $12,375 addition to share capital from reserves on the issuance of common shares pursuant to RSUs granted and a $8,155 reduction to share capital related to fair value of agents' warrants as share issuance costs.

(Presented in Canadian Dollars)

20. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities arising from financing activities include convertible debentures issued, bonds issued, interest included in bond payable, bond transaction costs capitalized, promissory notes, lease liabilities, and loans payable. A reconciliation of the changes in these liabilities is as follows:

	December 31, 2021	December 31, 2020
Balance, beginning of the year	$ 6,237,776	$ 5,880,734
Changes from financing cash flows		
Proceeds from convertible debentures	1,303,000	560,000
Debt issuance costs	(40,150)	-
Lease payments	(195,336)	(193,571)
Loan payments made	(25,164)	(12,582)
Loan received	-	40,000
Payment of convertible debentures	(10,741)	(27,173)
Redemption of convertible debentures	(424,700)	(150,682)
Redemption of bonds	(77,717)	(220,897)
Other changes		
Interest accrued to bond payable	74,669	82,300
Lease accretion	20,123	36,596
Equity component of convertible debentures issued	(115,338)	(33,292)
Accretion of convertible debentures	71,229	73,642
Accrued interest on convertible debentures	7,292	-
Unearned revenue	(185,600)	180,237
Interest payable	154,957	22,464
Fair value of brokers' warrants	(9,641)	-
Acquisition of Inverite – CEBA loan	30,000	-
Balance, end of the year	$ 6,814,659	$ 6,237,776

21. EVENTS AFTER THE REPORTING PERIOD

Share Capital Issuances

On January 4, 2022, Marble issued 150,000 common shares pursuant to the exercise of restricted share units.

In February, 2022, Marble issued an aggregate of 50,000 common shares pursuant to the exercise of restricted share units.

On April 2, 2022, Marble issued 150,000 common shares pursuant to the exercise of restricted share units.

Restricted Share Units Grant

On January 2, 2022 the Company granted 300,000 RSUs to a consultant. 50% of the RSUs vest on April 2, 2022 and 50% vest on July 2, 2022.

On April 28, 2022, the Company granted 300,000 RSUs to a consultant. 25% of the RSUs vest on each of July 28, 2022, October 28, 2022, January 28, 2023 and April 28, 2023.

21. EVENTS AFTER THE REPORTING PERIOD *(cont'd…)*

Share Purchase Options Grant

On January 31, 2022, the Company granted 100,000 share purchase options exercisable at $0.135 per common share with an expiry date of January 31, 2027. The share purchase options are subject to standard vesting provisions of 25% on the date of grant and 25% on each anniversary date, such that all share purchase options fully vest over three years from the date of grant.

Subsequent to December 31, 2021, an aggregate of 450,000 share purchase options were forfeited/cancelled.

On April 28, 2022, the Company granted an aggregate of 2,525,000 share purchase options exercisable at $0.13 per common share with an expiry date of April 28, 2027. The share purchase options are all subject to vesting provisions.

Other

Subsequent to December 31, 2021, an aggregate of 1,966,667 share purchase warrants expired unexercised.

On April 28, 2022, Marble announced it had entered into a binding letter of intent to acquire all of the securities of eBunch Data and Development Ltd. for consideration of $550,000, to be paid as to: (i) $350,000 through the issuance of that number of common shares of Marble (the "Marble Shares") issued at a price equal to the volume-weighted average price ("VWAP") of the Marble Shares on the Canadian Stock Exchange (the "CSE") for the five (5) prior trading days ending 3 trading days prior to the execution of the definitive agreement; and (ii) a minimum of $200,000 in cash, less adjustments. The vendors also have a two-year performance-based opportunity to receive a cash payment equal to $0.10 for every $1.00 in gross income earned over $750,000, calculated separately in each year during the earn-out period.

22. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation.