



Trading Symbol (CSE: SOLV)

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**SOLVBL SOLUTIONS INC.**  
(Formerly Stowe One Investments Corp.)  
Form 51 – 102 F1  
Management Discussion and Analysis  
For the three and six months ended June 30, 2021

August 27, 2021

## **Solvbl Solutions Inc.**

(Formerly Stowe One Investments Corp.)

### **Management's Discussion & Analysis For the three and six months ended June 30, 2021**

#### **Notice to Reader**

The following Management's Discussion & Analysis ("MD&A") of Solvbl Solutions Inc. (the "Company" or "Solvbl") for the three and six months ended June 30, 2021 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company.

This MD&A has been prepared in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2020, and the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2021, together with the notes thereto, and other corporate filings available at [www.sedar.com](http://www.sedar.com) ("SEDAR"). Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as at June 30, 2021, unless otherwise indicated.

Management is responsible for the condensed interim consolidated financial statements referred to in this MD&A and provides officers' disclosure certifications filed on SEDAR. The audit committee of the Company ("Audit Committee") reviews the financial statements and the MD&A and recommends approval to the Company's board of directors (the "Board"). For the purposes of preparing this MD&A, management, in conjunction with the Board, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A is current and approved by the Board of Directors as at August 27, 2021.

#### **Caution Regarding Forward-Looking Statements**

Certain sections of this MD&A may contain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans",

“intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Forward-looking statements may relate to the Company’s future financial conditions, results of operations, plans, objectives, performance or business developments. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management’s expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

### **Corporate Overview**

Solvbl (formerly Stowe One Investments Corp. (“Stowe One”) was incorporated under the laws of the Province of British Columbia on June 16, 2017. Stowe One was incorporated as a wholly-owned subsidiary of Anacott Resources Corp. (“Anacott”). Stowe One entered into an arrangement agreement dated June 26, 2017 among Anacott, Stowe One and other subsidiaries of Anacott (the “Anacott Arrangement Agreement”) in connection with a plan of arrangement (the “Anacott Arrangement”), which was approved by the shareholders of Anacott on July 27, 2017. On July 28, 2017, the Court granted the Final Order approving the Arrangement in accordance with Part 9 of the BCBCA and Stowe One was spun out and became a reporting issuer in Alberta and British Columbia.

Since the completion of the Anacott Arrangement until the closing of the Amalgamation (“Closing”), Stowe One did not carry on any active business other than the identification and evaluation of acquisition opportunities to permit Stowe One to acquire a business or assets in order to conduct commercial operations.

Prior to the Closing, Stowe One did not have any business operations or assets other than cash, and did not have written or oral agreements in principle for the acquisition of an asset or business other than the Amalgamation Agreement. Immediately prior to Closing, Stowe One changed its name to “Solvbl Solutions Inc”.

### ***Qualified Transaction***

On December 21, 2018, Agile Blockchain Corp. (“Agile”) signed an amalgamation agreement (“Amalgamation Agreement”) with Stowe One and 1191212 BC Ltd. (“1191212” or “Subco”), a wholly-owned subsidiary of Stowe One. Under the terms of the Amalgamation Agreement, Agile

agreed to amalgamate with 1191212 and proposed to combine the business and assets of Stowe One and Agile through the amalgamation (the “Transaction”), among other things, this would result in the Stowe One shares having a deemed value of \$0.07 per share. As of the date of the Amalgamation Agreement, Stowe One had a total of 7,214,607 shares outstanding.

In April and November 2020, Agile raised \$731,205 and \$9,021, respectively, by way of a non-brokered private placement at a price of \$0.15 per common share in the capital of Agile (“Agile Common Share”).

The Transaction was completed on February 10, 2021 and immediately prior to the closing of the Transaction, Stowe One changed its name to Solvbl Solution Inc. and consolidated its share capital on the basis of one post-consolidation common shares for each 2.1428571 pre-consolidation common shares.

Under the terms of the Amalgamation Agreement between the Stowe One (now Solvbl), Agile and Subco, dated effective December 21, 2018, as amended and restated effective August 14, 2020, the Transaction was completed by way of a three cornered amalgamation under the laws of British Columbia whereby Subco merged with and into Agile to form an amalgamated entity, named "1191212 BC Ltd.". On closing of the Transaction, the amalgamated "1191212 BC Ltd." became a wholly-owned subsidiary of Solvbl and the shareholders of Agile were issued one common share of Solvbl (“Common Shares”) in exchange for one Agile Common Share held immediately prior to the completion of the Transaction. In addition, each outstanding option to purchase Agile Common Shares was exchanged for the equivalent number of options to purchase Common Shares on the same terms and conditions as the original security.

In connection with the completion of the Transaction, all directors and officers of Stowe One resigned and were replaced by nominees of Agile, as follows: (a) Raymond Pomroy - Chief Executive Officer and Corporate Secretary; (b) Khurram Qureshi - Chief Financial Officer; (c) Vikas Gupta - Director; (d) Musabbir Chowdhury- Director; (e) Brenda Brown - Director; and (f) Alan Rootenberg - Director.

The fair value of the consideration issued for the net assets of Stowe One is as follows:

Stowe One common shares outstanding prior to closing	7,214,607
Price per share	\$ 0.07
Cost of acquisition	\$ 505,023
Fair value of Stowe One net deficit	\$ 243,352
Listing expense	\$ 748,375

### **CORPORATE HIGHLIGHTS**

On February 23, 2021, the Company commenced trading on the Canadian Securities Exchange (the “CSE”) under the symbol “SOLV”.

As a newly listed company on the CSE, the Company was invited by the CSE to ring the virtual opening bell. On March 17, 2021 the Company rang the virtual opening bell of the CSE.

On May 28, 2021 the Company announced that its annual general and special meeting of shareholders will take place on August 9, 2021.

On July 23 and 30, 2021, the Company closed two private placements with 50,000,000 and 13,333,333 units issued at a price of \$0.06 and \$0.075, respectively, raised \$4,000,000 gross proceeds in aggregate. Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.12 per Warrant Share for a period of 24 months from the date of issuance.

The private placement closed on July 23, 2021 was led by Research Capital Corporation as sole agent and sole bookrunner (the "Agent"). In connection with the private placement, the Agent received an aggregate cash fee equal to \$229,329 and an aggregate of 3,822,154 non-transferable compensation options (the "Compensation Options") equal to 8.0% of the total number of Units sold under the Private Placement. Each Compensation Option entitles the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for a period of 24 months following the closing of the private placement. In addition, the Company has paid the Agent a financial advisory fee satisfied by the issuance of 3,333,333 Common Shares and 3,333,333 Warrants.

On July 27, 2021, the Company settled aggregate indebtedness of \$265,800 under debt settlement agreements with six creditors by issuing an aggregate of 4,430,000 units of the Company ("Units"), at a price of \$0.06 per Unit. Each Unit is comprised of one Common Share and one Warrant. Each Warrant is exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.12 per Common Share. The Company also settled indebtedness under a settlement agreement with one creditor by issuing 500,000 Common Shares at a price of \$0.08 per Common Share. All securities issued pursuant to the debt settlement will be subject to a hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

The Company has also entered into a one (1) year marketing agreement with LDJ Consulting Inc. ("LDJ"), a Toronto, Ontario-based marketing consulting company beginning in July 2021 and ending in July 2022. The Company is prepaying the marketing fees to LDJ and intends to issue 500,000 common share purchase warrants ("Warrants") to LDJ at an exercise price of \$0.12 per Common Share exercisable for a period of 24 months from the date of issuance. The Warrants and the securities underlying the Warrants will all be subject to a four month and one day statutory hold period commencing on the date of issuance.

The Company also entered into a one-year consulting agreement with an arm's length individual for business development services and agreed to issue 500,000 Warrants at an exercise price of \$0.12 per Common Share exercisable for a period of 24 months from the date of issuance. The Warrants and the securities underlying the Warrants will all be subject to a four month and one day statutory hold period commencing on the date of issuance.

As part of the debt settlement, the CEO of the Company has agreed to convert all indebtedness due to him by the Company as at June 30, 2021. In exchange for settling \$30,000 in debt by receiving 500,000 Units. The CFO of the Company has agreed to convert part of existing indebtedness due to him by the Company. In exchange for settling \$75,000 in debt by receiving 1,250,000 Units. A director of the Company has agreed to convert all existing indebtedness due to him by the Company. In exchange for settling \$60,000 in debt by receiving 1,000,000 Units.

### **BUSINESS HIGHLIGHTS**

On February 24, 2021, Solvbl announced that it had filed a U.S. provisional patent application to document the cryptographic protocol of ***Q by SoLVBL™***.

On March 2, 2021, Solvbl announced that it had filed a second U.S. provisional patent application to document the adaptation and optimization of cryptographic algorithm to reduce latency in data stream applications utilizing ***Q by SoLVBL™***.

On March 16, 2021, Solvbl announced that it had appointed Sonam Devgan Kaul as a special advisor to increase the Company's cryptographic capabilities. Ms. Kaul is a cryptographer and cybersecurity researcher and is currently the cybersecurity program manager at the world-renowned Fields Institute for Research in Mathematical Sciences at the University of Toronto.

In May 2021, management of the Company resolved to focus the resources of the Company on its cybersecurity solutions based on its ***Q by SoLVBL™*** software product.

On May 13, 2021, Solvbl announced that it won a request for proposal ("RFP") from an international private company to develop a non-fungible tokenization product and the associated licensing of ***Q by SoLVBL™***. The Company also announced that it is currently negotiating the terms of the contract with the private company.

### **SUMMARY DESCRIPTIONS OF SOLVBL**

Solvbl is a cybersecurity company. Solvbl's mission is to empower better, faster decisions by developing a universal standard for establishing digital record authenticity. The lead product, ***Q by SoLVBL™***, is a proprietary, patent-pending software of the Company, designed to be easy to use and adopt, economically priced and to provide digital record authentication at digital speed. ***Q by SoLVBL™*** allows organizations to establish trust in their data. The Company is currently pursuing the following verticals: chain of custody for digital evidence; including, financial institutions, next generation 911 ("NG 911"), data used in the financial sector, medical applications and critical internet of things ("IoT") infrastructures.

## ***PRODUCTS OF SOLVBL***

### ***Q by SoLVBL™***

***Q by SoLVBL™*** implements key characteristics of blockchain without some of its bottlenecks: Traditional blockchain technologies (2018 and prior) have been constrained to <100 transactions/second. Recent developments have attempted to bypass these limitations, with varying degrees of success. Noteworthy academic articles have shown some results in the 10K-20K range. The Company's internal testing results have shown that ***Q by SoLVBL™*** can perform transactions in excess of 100,000 per second.

The effectiveness and efficiency of ***Q by SoLVBL™*** is currently being documented by Sonam Kaul, an independent cryptographer who was recently retained by the Company. ***Q by SoLVBL™*** comprises the following features:

- **Immutability:** One of the most attractive/useful features of blockchain / distributed ledger technologies are their ability to render data immutable (i.e. cannot be altered or deleted after the fact) and to provide non-repudiation (i.e. once a record exist, its author cannot claim it doesn't or that they are not its author).
- **Speed:** Solvbl features can be achieved without the technical limitations and bottlenecks which have historically afflicted blockchains. Internal testing at Solvbl has shown results in the greater than 100K transactions per second range. The development of ***Q by SoLVBL™*** is ongoing and will continue into the future, such that throughputs in excess of a hundred and fifty thousand per second will be achieved;
- **Secure:** No leakage of data into the public domain;
- **Integration:** The application of ***Q by SoLVBL™*** sits above and interact with existing software applications. The use of ***Q by SoLVBL™*** is both software and data agnostic. Any current state system should be able to use ***Q by SoLVBL™*** to its advantage, providing it with a court-admissible audit trail, with very little effort needed for the integration itself;
- **SaaS and Other Features:** Solvbl operates its ***Q by SoLVBL™*** network as software as a service (SaaS). Solvbl's client firms are able to utilize their current software infrastructure without interruption while API's connect to their currently installed software. Solvbl will not replace a client's database or other programs, but rather conducts and registers transactions of all descriptions: RFP's, purchase orders, invoices, payments and many other similar transactions. These transactions are secured using ***Q by SoLVBL™*** and are made available to all entities that are enabled by the client firm, thus allowing authentication of data prior to use.

## ***Tracker by Solvbl***

The ***Tracker by Solvbl*** is a simple, secure, and powerful LTE tracking solution that provides vehicle fleet management with an array of up-to-date tracking system. Together with the historical data and the capability of implementing analytics, the platform is able to deliver a dashboard that contains multiple applicable features including GPS location and heading, temperature, battery, ground velocity, odometer, engine speed, fuel consumption, engine ON hours, engine idle hours, vehicle state, ignition, coolant temperature, engine load, and fuel level.

The ***Tracker by Solvbl*** runs encrypted on private servers, with an optional backend connection to ***Q by SoLVBL™*** platform, which includes an option for secure deployment on cloud.

Given regulatory and market shifts in Canada and the U.S., Solvbl's next-generation LTE tracking solution will be well positioned for significant growth in the near future. In 2021, the Transport Canada ELD mandate for commercial drivers takes effect, aligning with current ELD regulations in the U.S. Yet today, most trackers in Canada are on GSM/2G or 3G infrastructure (that is being shut down). Solvbl offers businesses a next-generation 4G LTE tracking solution enabling them to manage this new technology shift, and meet their supply-chain needs, while also ensuring regulatory compliance.

## ***Principal Markets***

There is an increasing realization that cybersecurity and data integrity are growing in importance for even small sized Businesses. There is a history of attacks and losses at financial Institutions plus the recent spate of ransomware attacks on a range of industries has increased this awareness. This is a positive for the business development of Solvbl's solutions. Solvbl is targeting four verticals for the sale of ***Q by SoLVBL™***. These are 1) Financial Institutions; 2) Next Generation (NG) 911; 3) Police agencies and 4) **Non Fungible Token ("NFT")** applications.

### **1) Financial Institutions**

The initial focus will be on the major banks headquartered in New York and two of the main money transfer networks, the Swift Network and Fed Net. The initial approach will be to offer authentication of financial transactions. However, banks and financial institutions use data for more than payments. Increasingly AI, Big Data and the use of algorithms are driven by the large amounts of data collected by these businesses. It is crucial that data is not altered or compromised prior to use. Once established, ***Q by SoLVBL™*** will look to expand its use and target the range of applications that could benefit from data authentication.

### **2) Digital Chain of Custody**

#### **a. Next Generation 911 ("NG 911")**

The USA is committed to updating its 911 system for the digital age. The existing system based on connection via landlines will be replaced by a system capable of handling a variety of digital connections, such as video, photo, texts and inputs from cell phones.



There is a growing awareness that this data will need to be preserved in case of future legal actions. A digital chain of custody for this digital data will need to be established. This is a function that *Q by SoLVBL™* can fulfill.

**b. Police Agencies**

Increasingly crime and criminal investigations involve evidence in digital form. Police Agencies currently have a process for a digital chain of custody but it is cumbersome and growing ever more expensive as the digital aspect of crimes increases. *Q by SoLVBL™* can offer the chance to simplify and streamline this process and to offer the ability to significantly reduce costs.

**c. Non Fungible Token (“NFT”) applications**

NFTs solve the issue of uniqueness and a one-of-a-kind asset type. Popular collectibles such as digital art, music, and other digital collectibles — which we value and treasure, which are unique, valuable to us, and serve a purpose in digital networks, which can be secured by *Q by SoLVBL™*.

***Distribution Methods***

Currently the Company is in the process of hiring experienced sales professionals with a view to build a sales organization for Solvbl. Currently there is a sales arrangement in place with a New York based company to target the major New York banks, which the Company anticipates will evolve over time into a Solvbl sales force dedicated to the financial world. The Company is currently working on the sales strategy for NG911 clients and for police agencies. Both will initially be sold via alliances with existing software providers to these markets.

To further establish the brand, Solvbl has established a relationship with a marketing professional who is advising the Company on all matters related to brand building.

The head office and registered office of Solvbl has been moved to First Canadian Place, 100 King Street West, Suite 5700, Toronto, Ontario, M5X 1C7 since July 1, 2021, from its original office that located at 15 Toronto Street, Suite 602, Toronto Ontario, Canada.

***Market Trends***

The Colonial Pipeline ransomware attack has brought to the general public’s attention the importance of cybersecurity. Cybersecurity aimed at preventing hackers accessing data clearly is not foolproof. A data breach is a security violation in which sensitive, protected or confidential data is copied, transmitted, stolen or used by an individual unauthorized to do so.

*Q by SoLVBL™* doesn’t prevent data breaches, however it allows data to be authenticated prior to unauthorized use, thus any manipulation of the data by any party is immediately detected, thereby minimizing the damage caused by a data breach where it is the hackers purpose to change data for fraudulent purposes.

The cybersecurity market size was valued at \$149.67 billion in 2019 and is projected to reach \$304.91 billion in 2027, growing at a CAGR of 9.4% from 2020 to 2027. North American accounts for a 45% market share. ( Source: Cyber Security Market Report, Allied Market Research Nov., 2020).

The cybersecurity software segment has led the global cybersecurity market, owing to the need for safeguarding business data and to prevent loss from cyber-attacks, the demand for strong authentication methods specially after rapid adoption of remote working technology, post COVID-19.

The projected growth of the cybersecurity market reflects the growing number of attacks, data breaches and ransomware incidents plus the changing nature of work itself. *Q by SoLVBL™* has a key role to play in allowing data to be authenticated prior to use, thus reducing the ability of hackers to use data for fraudulent purposes.

### Summary of Selected Quarterly Financial Information

The following table sets out selected historical financial information for the eight most recently completed quarters ending at March 31, 2021. An analysis of the information contained in this table are set out below under the “Results of Operations” and “Liquidity and Capital Resources”:

	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20
For the three months ended	(\$)	(\$)	(\$)	(\$)
Revenues	-	-	-	-
Net and comprehensive income / (loss)	(\$419,070)	(\$874,535)	(\$293,931)	(\$180,005)
Basic income / (loss) per share	(\$0.01)	(\$0.01)	(\$0.00)	(\$0.00)
Total assets	\$237,015	\$379,855	\$654,265	\$792,799
Long-Term Liabilities	\$280,831	\$311,066	\$244,434	\$256,271
	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19
For the three months ended	(\$)	(\$)	(\$)	(\$)
Revenues	-	\$10,000	-	-
Net and comprehensive income / (loss)	(\$151,213)	\$12,535	(\$496,280)	(\$237,660)
Basic income / (loss) per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
Total assets	\$852,895	\$332,469	\$183,375	\$166,825
Long-Term Liabilities	\$249,011	\$199,750	\$155,701	\$159,552

## **Results of Operations**

The following is a breakdown of the Company's overall operational highlight comparison of the three and six months ended June 30, 2021 and 2020:

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Revenue	-	-	-	\$10,000
Professional and Consulting Fees	\$163,607	\$86,675	\$290,589	\$168,355
Salaries and Benefits	\$122,535	\$103,031	\$266,870	\$220,497
General and Administrative Expenses	\$35,008	\$2,119	\$49,801	\$8,987
Marketing	\$133,050	\$13,076	\$156,817	\$14,705
Listing expense	-	-	\$748,374	-
Share-based Compensation	\$2,073	\$26,467	\$7,200	\$70,158
Amortization Expenses	\$5,348	\$7,979	\$13,064	\$15,958
<b>Loss from Operations</b>	<b>(\$461,621)</b>	<b>(\$239,347)</b>	<b>(\$1,532,715)</b>	<b>(\$488,660)</b>

### Three months ended June 30, 2021:

The Company reported loss from operations for the three months ended June 30, 2021 of \$461,621 (\$0.00 per share) as compared to a loss from operations for the three months ended June 30, 2020 of \$239,347 (\$0.00 per share). An increase in loss from operation of \$222,274 or 92.9% for the period ended June 30, 2021 over the same period ended June 30, 2020, primarily caused by the increased professional fees and marketing expenses recorded as a result of increased legal and marketing activities after the Company listed as a public company and seeking on closing a private placement financing campaign.

Nil revenue was recorded in the three months ended June 30, 2021 and 20, the Company recorded Nil revenue. The Company continued working on developing its blockchain-based applications for supply chain management services in the three months ended June 30, 2021.

Professional and consulting fees were \$163,607 for the three months ended June 30, 2021 compared to \$86,675 for the three months ended June 30, 2020, an increase of \$76,932 or 88.7%. This increase was as a result of the increase in legal and audit service fees incurred after the Company going public and seeking to close a private placement financing campaign.

Salaries and benefits were \$122,535 for the three months ended June 30, 2021 compared to \$103,031 for the three months ended June 30, 2020, an increase of \$19,504 or 18.9%. This increase was due to increase of staff compensation during the three months ended June 30, 2021 as compared to three months ended June 30, 2020.

General and administrative expenses were \$35,008 for the three months ended June 30, 2021 compared to \$2,119 for the three months ended June 30, 2020, an increase of \$32,889 or 1552%. This increase was as a result of increased business activities in the three months ended June 30, 2021, in conjunction with the increased compliance expenses as a public company.

Share-based compensation were \$2,073 for the three months ended June 30, 2021 compared to \$26,467 for the three months ended June 30, 2020, a decrease of \$24,394 or 92.2%. This decrease was attributed to the Company granting nil stock options in the three months ended June 30, 2021 and most of the stock options granted in prior years had already been vested and resulted in reduced share-based compensation.

Amortization expenses were \$5,348 for the three months ended June 30, 2021 compared to \$7,979 for the three months ended June 30, 2020, a decrease of \$2,631 or 33%. The Company consistently carried out its accounting policy on amortization of equipment and ROU assets in both periods. The decrease was caused by the completion of amortization of the Company's ROU assets in April 2021.

#### Six months ended June 30, 2021:

The Company reported loss from operations for the six months ended June 30, 2021 of \$1,532,715 (\$0.02 per share) as compared to a loss from operations for the six months ended June 30, 2020 of \$488,660 (\$0.00 per share). An increase in loss from operation of \$1,044,055 or 213.6% for the period ended June 30, 2021 over the same period ended June 30, 2020, primarily due to non-cash listing expense recorded as a result of the amalgamation with Stowe One and issuance of shares and the increased professional and marketing expenses together with the effect of decreased share-based compensation recorded in the six months ended June 30, 2021.

The Company continued working on developing its blockchain-based applications for supply chain management services in the six months ended June 30, 2021.

During the six months ended June 30, 2021, the Company recorded Nil revenue, a decrease of \$10,000 comparing with same period in 2020. The Company provided supply chain consulting services to a customer in January and February of 2020 and earned \$10,000. Due to Covid-19 pandemic, the customer cancelled its contract with the Company effective February 28, 2020.

The Company didn't incur any direct related costs for providing consulting services to its customer and no sales related expenses were incurred in the six months ended June 30, 2021.

Professional and consulting fees were \$290,589 for the six months ended June 30, 2021 compared to \$168,355 for the six months ended June 30, 2020, an increase of \$122,234 or 72.6%. This increase was as a result of the increase in legal and audit service fees incurred for the Company's going public process in Q1 2021 together with the increase in legal and audit service fees incurred after the Company going public and seeking to close a private placement financing campaign.

Salaries and benefits were \$266,870 for the six months ended June 30, 2021 compared to \$220,497 for the six months ended June 30, 2020, an increase of \$46,373 or 21%. This increase was due to increase of staff compensation during the six months ended June 30, 2021 as compared to six months ended June 30, 2020.

General and administrative expenses were \$49,801 for the six months ended June 30, 2021 compared to \$8,987 for the six months ended June 30, 2020, an increase of \$40,814 or 454.14%. This increase was as a result of increased business activities in the six months ended June 30, 2021, in conjunction with the increased application, closing and filing expenses in the Company's going public process plus the increased compliance expenses as a public company.

Share-based compensation were \$7,200 for the six months ended June 30, 2021 compared to \$70,158 for the six months ended June 30, 2020, a decrease of \$62,958 or 89.7%. This decrease was attributed to the Company granting nil stock options in the six months ended June 30, 2021 and most of the stock options granted in prior years had already been vested and resulted in reduced share-based compensation.

Amortization expenses were \$13,064 for the six months ended June 30, 2021 compared to \$15,958 for the six months ended June 30, 2020, a decrease of \$2,894 or 18.1%. The Company consistently carried out its accounting policy on amortization of equipment and ROU assets in both periods. The decrease was caused by the completion of amortization of the Company's ROU assets in April 2021.

### ***Liquidity and Capital Resources***

The Company intends to use its funds to meet funding requirements for business developments and new customer deployments based on anticipated market demand. Actual funding requirements will vary depending on a variety of factors, including our success in executing our business plan, the progress of our product and business development efforts, our sales and our ability to manage our working capital requirements. The Company's existing cash balances and cash generated from operations, cash proceeds from new debt and equity financing will be required to meet its anticipated cash needs for working capital, growth capital and capital expenditures for the foreseeable future.

As at June 30, 2021, the Company had cash of \$3,955 as compared to \$225,281 as at December 31, 2020. Total current assets amount to \$230,045 (December 31, 2020: 634,231) with current liabilities of \$919,007 (December 31, 2020: \$540,474) resulting in working capital deficiency of \$688,962 (December 31, 2020: working capital of \$93,757). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its developed products, the continuing financial support of shareholders or other investors, or obtaining new financing on commercial terms acceptable to the Company. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern.

The accompanying condensed interim consolidated financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The condensed interim consolidated financial statements do not include any adjustments to reflect any events since June 30, 2021 or the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from this uncertainty.

The Company has access to working capital through equity financing or debt financing to fund its growth plans.

The table below is a summary of cash inflows and outflows by activities for the six months ended June 30, 2021 and the same period ended June 30, 2020:

	<b>2021</b>	<b>2020</b>
<b>Cash inflow and (outflows) by activity:</b>		
Operating activities	(275,826)	(450,210)
Investing activities	-	-
Financing activities	54,500	849,163
Net cash (outflows) inflows	(221,326)	(398,953)
Cash , beginning of year	225,281	15,424
Cash , end of year	3,955	414,377

### ***Operating activities***

During the six months ended June 30, 2021, cash used in operating activities was \$275,826 compared to cash used in operating activities of \$450,210 during the same period in 2020.

### ***Investing activities***

For the six months ended June 30, 2021 and 2020, \$Nil cash used in investing activities.

### ***Financing activities***

During the six months ended June 30, 2021, cash generated from financing activities was \$54,500 compared to \$849,163 cash generated from financing activities during the same period in 2020. The cash generated in the six months ended June 30, 2021 was a result of 100,000 stock options exercised at a price of \$0.10 per share and \$44,500 loans borrowed from shareholders, while in the six months ended June 30, 2020 the Company raised \$731,163 net proceeds from through a non-brokered private placement borrowed \$93,000 and \$40,000 from shareholders and the Canadian government, together with a decrease of \$15,000 non-cash effect caused by deferred subscriptions fluctuation.

Subsequent financings see Corporate Highlight and Subsequent Events.

## **Going Concern**

As at June 30, 2021, the Company had an accumulated deficit amounting to \$4,496,990 (December 31, 2020: \$3,203,386). As at June 30, 2020, the Company had current liabilities exceeding current assets of \$688,962 (December 31, 2021: current assets exceeding current liabilities of \$93,757). The ability of the Company to continue as a going concern is dependent upon generating profitable operations from its developed products, the continuing financial support of shareholders or other investors, or obtaining new financing on commercial terms acceptable to the Company. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on Company's ability to continue as a going concern.

The accompanying condensed interim consolidated financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The financial statements do not include any adjustments to reflect any events since June 30, 2021 or the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from this uncertainty.

Subsequent financings see Corporate Highlight and Subsequent Events.

### ***Off balance sheet arrangements***

At the date of this MD&A, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

### ***Contractual obligations***

With the exception of the Amalgamation Agreement described earlier, there are no other significant contractual obligations.

### ***Risk Factors***

Solvbl is exposed to a number of risks and uncertainties that are common to other companies engaged in the same or similar businesses. The summary of material risks that could significantly affect the financial condition, operating results or business of Solvbl can be found in section "Risk Factors" of the final prospectus of Solvbl Solutions Inc. (Stowe One is to be renamed prior to filing of the final prospectus), of which this MD&A forms a part.

### ***Critical accounting estimates***

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting

period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses various factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual results could differ from the estimates used under different assumptions and conditions.

*The most significant judgments applying to the Company's financial statements include:*

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty. The financial statements have been prepared based on the going concern assumption, which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

- Impairment of non-financial assets - Non-financial assets include property and equipment, and the right of use assets. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate and cash flow projections;
- Leases renewal terms and incremental borrowing rate - Judgement is required at the inception of a lease as to whether payments associated with future renewal options are included or excluded from the calculation of the lease liability. Management must assess the likelihood of such options being exercised based on factors such as lease rates, improvements made and cost associate with exiting. Additionally, the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company Union estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific risk adjustments.
- Revenue recognition - Judgement is required in identifying the contract with the customer, identifying the performance obligations, determining the individual transaction price and allocating said price to the individual performance obligations making up the contract. Revenue is recognized only when it is probable that the economic benefits associated with a transaction will flow to the Company, and when the amount of revenue can be reliably measured.
- Provisions - Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability had been



incurred at the date of the financial statements of financial position and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company. The adequacy of provisions is regularly assessed as new information becomes available.

*Significant estimates or key sources of estimation uncertainty include:*

- Current and deferred income taxes - Current income taxes require significant estimation in their calculation including the consideration of allowable deductions and tax rates. In assessing the probability of realizing deferred tax assets, management makes estimates related to the expectation of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax positions taken will be sustained upon examination by applicable tax authorities.
- Allowance for expected credit losses - Management determines expected credit loss by evaluating individual receivable balances and considering customers' financial condition, customer creditworthiness, current economic trends and experience. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. All receivables are expected to be collected within one year of the year ended.
- Useful lives of non-financial assets - The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property and equipment are based on internal technical evaluations and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets;
- Share-based payment transactions and warrants - The Company measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions require determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield of the share option and forfeiture rate. Similar calculations are made in order to value warrants. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

## ***Changes in accounting policies including initial adoption***

### **Future accounting changes**

The Company has not yet applied the following new standard, interpretations and amendments to standards that have been issued as at June 30, 2021 but are not yet effective. Unless otherwise stated, the Company does not plan to early adopt any of these new or amended standards and interpretations.

### **IFRS 3 Business combinations**

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. Under the new standard the Company expects a more likely probability that future transactions will be accounted for as asset acquisitions.

### **IAS 1 Presentation of financial statements**

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across International Financial Reporting Standards and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Company does not expect these amendments to have a material impact on its financial statements.

### **IAS 8 Accounting policies, changes in accounting estimates and errors**

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across International Financial Reporting Standards and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The Company does not expect these amendments to have a material impact on its financial statements.

## **Internal Controls Over Financial Reporting and Disclosure of Controls and Procedures**

The Company's Chief Executive Officer and the Chief Financial Officer are responsible for the design of internal controls over financial reporting within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in the Company's internal controls over financial reporting during the Company's most recent period that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **Related Party Transactions & Key Management Compensation**

Key management is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

During the six months ended June 30, 2021 and 2020, remunerations of key management of Company were as follows:

	<b>2021</b>	<b>2020</b>
Salaries and service fees	104,000	36,000
Share based compensation	7,200	29,544

The Company's related parties comprise its key management: CEO, CFO, and Directors of the Company. There were no other related party transactions for the six months ended June 30, 2021 and 2020. As of June 30, 2021, the amount due to related party balances were \$137,360 and \$38,000 respectively. The amounts due to related parties are recorded at the exchange amounts as agreed upon by the related parties under contracts signed with them, non-interest bearing, unsecured and with no fixed repayment terms.

## **Equipment**

During the six months ended June 30, 2021 and year ended December 31, 2020 the Company has engaged the following equipment in its operation:

	Blockchain Hardware	Computer Equipment	Total
<i><u>Cost</u></i>			
Balance, January 1, 2020	\$ 3,989	\$ 16,710	\$ 20,699
Additions	-	-	-
Balance, December 31, 2020 and March 31, 2021	\$ 3,989	\$ 16,710	\$ 20,699
<i><u>Accumulated depreciation</u></i>			
Balance, January 1, 2020	(\$ 463)	(\$ 8,522)	(\$ 8,985)
Additions	(1,058)	(2,456)	(3,514)
Balance, December 31, 2020	(1,521)	(10,978)	(12,499)
Additions	(370)	(860)	(1,230)
Balance, June 30, 2021	(\$ 1,891)	(\$ 11,838)	(\$ 13,729)
<i><u>Net book value, December 31, 2020</u></i>	\$ 2,468	\$ 5,732	\$ 8,200
<i><u>Net book value, June 30, 2021</u></i>	\$ 2,098	\$ 4,872	\$ 6,970

## **Right-of -Use Assets**

In the six months ended June 30, 2021 and year ended December 31, 2020, the Company had a right-of-use-assets based on IFRS 16 – Lease, on a leased property:

	<u>Corporate property lease</u>
<u>Cost</u>	
Balance, December 31, 2020 and March 31, 2021	\$ 73,373
<u>Accumulated depreciation</u>	
Balance, January 1, 2020	(33,136)
Additions	(28,403)
Balance, December 31, 2020	(61,539)
Additions	(11,834)
Balance, March 31, 2021	(\$ 73,373)
<u>Net book value, December 31, 2020</u>	\$ 11,834
<u>Net book value, June 30, 2021</u>	\$ -

## ***Financial instruments and risk exposures***

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

### (a) Fair value

Financial instruments included in the statement of the financial position as at March 31, 2020 consist of cash, cash held in trust, other receivables, accounts payable and accrued liabilities, promissory notes payable and shareholders loans with year-end carrying amount which approximates their respective fair values.

### (b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the following types of risk: credit risk, foreign exchange risk, liquidity risk and cash flow risk.

### (c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to the liquidity of its various cash and receivable balances.

(d) Foreign exchange risk

The Company is not exposed to any significant foreign exchange risk. The Company did not have any hedges or any other transactions related to foreign currency clearance at the time that these financial statements were issued. In the opinion of management, the foreign exchange risk exposure to the Company is low.

(e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity risk through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities.

The Company's cash flow is generated from debt financing or equity raises.

The Company monitors cash on a regular basis and reviews expenses to ensure costs and commitments are being paid in a timely manner. Management has worked with and negotiated with vendors to ensure payment arrangements are satisfactory to all parties and that monthly cash commitments are managed within the Company's operating cash flow capabilities.

As at June 30, 2021, the Company had a cash balance of \$3,955. The following table summarizes the gross amount and maturity periods of the Company's contractual obligations of financial instruments as of June 30, 2021:

	<b>Within 1 year</b>	<b>1-3 year</b>	<b>Total</b>
Accounts payable and accrued liabilities	\$ 668,944	\$24,288	\$ 693,232
Government loan	-	56,318	56,318
Shareholders loans	62,293	44,687	106,980
Promissory notes payable	36,133	162,220	198,353
	<b>\$ 767,370</b>	<b>\$ 287,513</b>	<b>\$ 1,054,883</b>

(f) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low.

**Covid – 19**

In March 2020, the World Health Organization (“WHO”) classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Many countries reacted by instituting quarantines and restrictions on travel. These actions are creating disruption in global supply chains and adversely impacting economic and market conditions and triggered a period of global economic slowdown. Generally, the business development activities of the Company have slowed due to COVID-19. Management is actively monitoring the global situation on its financial

condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the outbreak on its result of operations, financial condition and liquidity at this time.

Since the emergence in or about December 2020 of a novel strain of coronavirus (“COVID-19”), the highly contagious virus has spread across the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Since that time in response to the outbreak, governmental authorities in Canada and internationally have implemented various measures with the aim of preventing or limiting further spread of COVID-19. These measures, which have included travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, and social distancing, have, among other things, resulted in widespread business, employment and economic disruptions. While the recent positive news of vaccine results are promising, the infection and death rates are still very worrying. The global pandemic continues to rapidly evolve and the ultimate impact of the COVID-19 outbreak is highly uncertain.

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including with respect to issues related to securing clients in Canada, US and elsewhere and may also impact our business in the supply chain sector.

The Company has not yet begun selling its products but is implementing or will implement precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, and potential clients and partners, which may adversely impact the Company’s productivity and its business in the supply chain sector. For example, mandatory or voluntary self-quarantines may limit the staffing at the Company’s facility. In addition, it’s possible that among other things, travel restrictions to the US and Europe due to the COVID-19 pandemic may adversely affect the Company’s ability to successfully market and sell its products in Canada and elsewhere. Continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible national or global recession. Due to the unpredictability and scale of the effects of COVID-19, The Company is unable to accurately estimate the impact or level of materiality of COVID-19 on its business, operations or financial results. The Company will monitor the situation in order to assess any possible adverse impact on its business, supply chain and customers on an ongoing basis and to determine which measures, if any, will be taken to mitigate such adverse impact.

### **Disclosure of Outstanding Shares**

As at August 27, 2021, the following are outstanding securities of Solvbl Solutions Inc.:

Common shares:	80,936,397
Warrants:	Nil
Stock options:	5,811,666

## **Subsequent events**

### *Closing private placements:*

On July 23, 2021 the Company closed a brokered private placement of units of the Company (the "Units"), pursuant to which the Company issued 50,000,000 Units at a price of \$0.06 per Unit for aggregate gross proceeds of \$3,000,000. Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.12 per Warrant Share for a period of 24 months from the date of issuance.

The private placement was led by Research Capital Corporation as sole agent and sole bookrunner (the "Agent"). In connection with the private placement, the Agent received an aggregate cash fee equal to \$229,329 and an aggregate of 3,822,154 non-transferable compensation options (the "Compensation Options") equal to 8.0% of the total number of Units sold under the Private Placement. Each Compensation Option entitles the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for a period of 24 months following the closing of the private placement. In addition, the Company has paid the Agent a financial advisory fee satisfied by the issuance of 3,333,333 Common Shares and 3,333,333 Warrants.

On July 30, 2021 the Company closed a second private placement of units of the Company (the "Units"), pursuant to which the Company issued 13,333,333 Units at a price of \$0.075 per Unit aggregate gross proceeds of \$1,000,000. Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.12 per Warrant Share for a period of 24 months from the date of issuance.

### *Debt settlement, marketing agreements and related party transactions:*

On July 27, 2021, the Company settled aggregate indebtedness of \$265,800 under debt settlement agreements with six creditors by issuing an aggregate of 4,430,000 units of the Company ("Units"), at a price of \$0.06 per Unit. Each Unit is comprised of one Common Share and one Warrant. Each Warrant is exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.12 per Common Share. The Company also settled indebtedness under a settlement agreement with one creditor by issuing 500,000 Common Shares at a price of \$0.08 per Common Share. All securities issued pursuant to the debt settlement will be subject to a hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

The Company also entered into a one (1) year marketing agreement with LDJ Consulting Inc. ("LDJ"), a Toronto, Ontario-based marketing consulting company beginning in July 2021 and ending in July 2022. The Company is prepaying the marketing fees to LDJ and intends to issue 500,000 common share purchase warrants ("Warrants") to LDJ at an exercise price of \$0.12 per Common Share exercisable for a period of 24 months from the date of issuance. The Warrants and the securities underlying the Warrants will all be subject to a four month and one day statutory hold period commencing on the date of issuance. Raymond Pomroy, the Company's CEO states, "LDJ has an extensive network throughout North America, particularly among the millennial and

the female demographics.

The Company also entered into a one-year consulting agreement with an arm's length individual for business development services and agreed to issue 500,000 Warrants at an exercise price of \$0.12 per Common Share exercisable for a period of 24 months from the date of issuance. The Warrants and the securities underlying the Warrants will all be subject to a four month and one day statutory hold period commencing on the date of issuance.

As part of the debt settlement, the CEO of the Company has agreed to convert all indebtedness due to him by the Company as at June 30, 2021. In exchange for settling \$30,000 in debt by receiving 500,000 Units. The CFO of the Company has agreed to convert part of existing indebtedness due to him by the Company. In exchange for settling \$75,000 in debt by receiving 1,250,000 Units. A director of the Company has agreed to convert all existing indebtedness due to him by the Company. In exchange for settling \$60,000 in debt receiving 1,000,000 Units.

*Annual and special meeting:*

On August 9, 2021 the Company held its Annual and Special Meeting. All matters were approved except for the spin-off of a subsidiary.

**Additional Information**

Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).