Plank Ventures Ltd.
(formerly 0968998 B.C. Ltd.)

Consolidated Financial Statements

(EXPRESSED IN CANADIAN DOLLARS)

For the Years Ended July 31, 2019 and 2018

Index

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Plank Ventures Inc. (formerly 0968998 B.C. Ltd.)

Opinion
We have audited the consolidated financial statements of Plank Ventures Inc. (the “Company”), which comprise the consolidated statements of financial position as at July 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders’ deficiency and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2019 and 2018, 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 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 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 to the financial statements, which indicates that the Company incurred a net loss of $73,988 during the year ended July 31, 2019 and, as of that date, the Company had an accumulated deficit of $6,331,652. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 information included in Management’s Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Otto Ehinger.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
November 28, 2019

PLANK VENTURES LTD.

(Formerly 0968998 B.C. Ltd.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes	July 31, 2019	July 31, 2018
ASSETS			
Current Assets			
Cash		$ 264,729	$ 55
Accounts receivable		2,205	-
Prepaid expenses		7,096	-
Digital currencies		17,545	-
		291,575	55
Non-Current Assets			
Equipment	6	6,519	-
Investments	7	1,775,243	-
TOTAL ASSETS		$ 2,073,337	$ 55
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	8	$ 37,726	$ 268,309
Due to former parent company	10	$ 6,543,118	$ 5,452,889
Related party loans	9	70,531	-
		6,651,375	5,721,198
Related party loans	9,12	1,051,110	-
TOTAL LIABILITIES		7,702,485	5,721,198
SHAREHOLDERS' DEFICIENCY			
Share capital	11	536,521	536,521
Equity portion of debt	9	165,983	-
Deficit		(6,331,652)	(6,257,664)
TOTAL SHAREHOLDERS' DEFICIENCY		(5,629,148)	(5,721,143)
TOTAL LIABILITIES AND SHAREHODLERS' DEFICIENCY		$ 2,073,337	$ 55
Nature of operations and going concern uncertainty	1		
Subsequent events	16		

Approved on behalf of the board

"Michael Edwards"

Michael Edwards, Director

"Laurie Baggio"

Laurie Baggio, Director

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.

(Formerly 0968998 B.C. Ltd.)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Notes	Years ended July 31, 2019	2018
REVENUE			
Cryptomining		$ 5,989	$ -
EXPENSES			
Depreciation	6	3,878	-
Management and consulting fees	12	25,410	-
Professional fees		14,352	-
Office and administration		19,641	534
Regulatory and filing fees		649	-
Foreign exchange		(31,441)	13,053
		32,489	13,587
Interest expense	9	130,075	-
Impairment of goodwill	5	123,083	-
Unrealized loss on investments	7	32,188	-
Reversal of accrued liabilities	8	(222,223)	-
Interest income	7	(9,833)	-
Other income		(300)	-
Unrealized gain on fair value of digital currencies		(5,501)	-
		47,489	-
Net loss and comprehensive loss for the year		$ (73,988)	$ (13,587)
Basic and diluted loss per share		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding for the year, basic and diluted		25,295,824	15,265,212

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.

(Formerly 0968998 B.C. Ltd.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(Expressed in Canadian dollars)

Years ended July 31, 2019 and 2018

		Share capital				
	Notes	Number of shares	Amount	Equity portion of debt	Deficit	Total
Balance at July 31, 2017		15,265,212	$ 536,521	$ -	$ (6,244,077)	$ (5,707,556)
Loss for the year		-	-	-	(13,587)	(13,587)
Balance at July 31, 2018		15,265,212	536,521	-	(6,257,664)	(5,721,143)
Return to treasury		(1)	-	-	-	-
Cancellation of shares on plan of arrangement	1,11	(15,265,211)	-	-	-	-
Issue of new shares on plan of arrangement	1,11	38,147,546	-	-	-	-
Equity portion of debt	9	-	-	165,983	-	165,983
Loss for the year		-	-	-	(73,988)	(73,988)
Balance at July 31, 2019		38,147,546	$ 536,521	$ 165,983	$ (6,331,652)	$ (5,629,148)

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.

(Formerly 0968998 B.C. Ltd.)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

Years ended July 31,	2019	2018
OPERATING ACTIVITIES		
Net loss for the year	$ (73,988)	$ (13,587)
Items not affecting cash		
Depreciation	3,878	-
Unrealized foreign exchange losses	16,222	13,053
Reversal of accrued liabilities	(222,223)	-
Impairment of goodwill	123,083	-
Unrealized loss on investments	32,188	-
Gain on fair value of digital currencies	(5,501)	-
Cryptomining revenue	(5,989)	-
Accrued interest income	(9,833)	-
Accrued interest expense	130,075	-
Net changes in non-cash working capital		
Accounts receivable	(2,205)	-
Prepaid expenses	(7,096)	-
Accounts payable and accrued liabilities	(41,260)	-
Net cash used in operating activities	(62,649)	(534)
INVESTING ACTIVITIES		
Acquisition of subsidiary	764	-
Cash investments made	(818,298)	-
Net cash used in investing activities	(817,534)	-
FINANCING ACTIVITIES		
Proceeds from loans	1,144,605	-
Due to parent company	252	503
Net cash provided by financing activities	1,144,857	503
NET CASH FLOW FROM OPERATING, INVESTING, AND FINANCING ACTIVITIES	264,674	(31)
CASH, BEGINNING OF THE YEAR	55	86
CASH, END OF THE YEAR	$ 264,729	$ 55

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Plank Ventures Ltd. (formerly 0968998 B.C. Ltd.) (the "Company") was incorporated on May 1, 2013, under the Business Corporations Act. On February 22, 2019, the Company completed a plan of arrangement ("Plan of Arrangement") (Notes 7 and 11) with its former parent, Mobio Technologies Inc. ("Mobio"), cancelling 15,265,211 common shares owned by Mobio and issuing 38,147,546 common shares to the shareholders of Mobio.

The Company invests in business opportunities in the technology arena. The target investments are early-stage start-ups that already have developed a customer and revenue base and are seeking funding for expansion.

These consolidated financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. As at July 31, 2019, the Company has an accumulated deficit of $6,331,652 and currently has minimal revenue generating activities.

The continuing operations of the Company are dependent upon its ability to develop profitable operations in the future and to raise adequate financing, if necessary. The application of the going concern concept is dependent on the Company's ability to achieve viable operations and access financing. Management is of the opinion that additional working capital can be obtained from internal and external sources to meet the Company's liabilities and commitments.

There can be no assurance that the Company will be successful in achieving profitability or raising additional cash to finance operations. These conditions indicate existence of material uncertainties that may cause doubt about the Company's ability to continue as a going concern. The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

These consolidated financial statements were authorized for issue on November 28, 2019, by the Board of Directors of the Company.

Statement of Compliance
These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Functional and Presentation Currency
The consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiary's functional currency.

Basis of Measurement
These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

2. BASIS OF PRESENTATION (CONT'D)

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. An area subject to significant estimates is the impairment of financial and non-financial assets. Actual results could differ from those estimates.

The most significant judgement applied in the preparation of these consolidated financial statements relate to the carrying value of the Company's investments (Note 7). The Company invests in start-up technology companies whose products and services are under development. The successful development and commercialization of these products and services is subject to a high degree of risk. Judgement is applied in the consideration of the fair value of investments at each reporting period.

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended July 31, 2019. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, current working capital levels, and potential sources of replacement financing.

As a result of the assessment and, as described in Note 1, management concluded the going concern basis of accounting is appropriate based on its cash flow forecast and expectations with respect to access to financing for the next twelve months.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Principles of Consolidation

These consolidated financial statements consist of Plank Ventures Ltd. and its wholly owned subsidiary, Exahash Cryptomining Corp.

(a) Basis of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries are deconsolidated on the date that control ceases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (Cont'd)

The consolidated financial statements at July 31, 2019 include the assets, liabilities, revenues and expenses of the Company's 100% controlled and wholly owned subsidiary. All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

(b) Business Combinations

The acquisitions which meet the definition of a "business", as defined in IFRS 3 – *Business Combinations*, are accounted for as a business combination using the acquisition method, and require the purchase price to be allocated to the fair values of the net assets acquired, including any intangible assets that may have arisen as a result of the acquisition, with the remainder of the purchase price allocated to goodwill. Those acquisitions which did not meet the definition of a business are accounted for as a purchase of assets. The judgments applied to making this determination includes assessing whether the acquisition contains inputs, processes, and outputs as described in IFRS 3.

(c) Functional Currency and Presentation

The Company's functional currency is the Canadian dollar and transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated at reporting period rate of exchange. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical exchange rates.

Revenue and expenses denominated in a foreign currencies are translated at the monthly average exchange rate (except for depreciation and amortization which is translated at historical exchange rates). Gains and losses resulting from the translation adjustments are included in net income (loss).

(d) Intangible Assets and Goodwill

Intangible assets with finite lives consist of acquired technologies and software. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives and are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization commences once the underlying asset is complete and put into use. Cost for intangible assets acquired in a business combination represents the fair value of the asset at the time of the acquisition.

Goodwill is not amortized and is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may be impaired. Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to the CGU to which it relates.

(e) Financial Instruments

The Company adopted all of the requirements of IFRS 9 – Financial Instruments ("IFRS 9") as of August 1, 2018. IFRS 9 replaces IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original Classification IAS 39	New Classification IFRS 9
Financial Assets		
Cash	Fair Value	Fair Value
Financial Liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to former parent company	Other financial liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and are subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. All of the Company's investments are recorded at FVTPL.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

(f) Digital Currencies

Digital currencies consist of cryptocurrency and are initially recorded at cost and adjusted to fair value at each reporting period based on quoted market prices. Changes in the fair value of digital currencies are recorded in profit and loss.

(g) Share-Based Payments

Stock options issued are accounted for in accordance with fair value accounting for share-based payments. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option pricing model. The associated expense is charged to profit or loss with a corresponding increase to share-based payment reserves over the vesting period of the option on a straight-line basis. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Compensation expense for stock options granted to non-employees is recorded as an expense in the period at the earlier of the completion of performance and the date the options are vested using the fair value method.

As the options are exercised, the consideration paid, along with the amount previously recognized in share-based payment reserves, is recorded as an increase to share capital. For stock options which

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Share-Based Payments (Cont'd)

have expired or been forfeited, the amount previously recognized in share-based payments reserve is reclassified to deficit.

(h) Warrants

The proceeds from private placements that include warrants are allocated on a relative fair value basis between the common shares and warrants. The fair value attributed to warrants is recorded in warrant reserves within equity. If the warrants are converted, the consideration paid, along with the amount previously recognized in warrant reserves, is recorded as an increase to share capital. Upon expiry of warrants, any fair value attributed is reclassified to share capital.

(i) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

Impairment is determined by assessing if the carrying value of a CGU, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell or the value in use. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

Impairment losses are recognized in profit or loss in the period in which the impairment is identified. Impairment losses recognized in respect of a CGU are allocated first to reduce the carrying value of goodwill allocated to the CGU and any excess is allocated to the carrying amount of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the losses have decreased or no longer exist. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Contingent Liabilities

A contingent liability is defined as a possible obligation arising from past events or a present obligation where it is not probable that an outflow of resources will occur or the amount of obligation cannot be measured. On determining the probability of occurrence and estimate of exposure, the Company relies upon their understanding of the past event, including activities undertaken by other parties. Contingent liabilities are disclosed unless the probability of occurrence is remote. There are no contingent liabilities disclosed for the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net loss. Comprehensive loss is equal to net loss for the years ended July 31, 2019 and 2018.

(l) Loss per Share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted-average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. The method requires computation as if the proceeds from the exercisable options and warrants would be used to purchase common shares at the average market price during the period. For the periods presented, diluted loss per share is equal to basic loss per share since the effects of stock options and warrants were anti-dilutive.

(m) Income Taxes

Income tax expense consists of current and deferred tax expenses. Income tax expense is recognized in net loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for temporary differences related to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or investments in subsidiaries and equity investments to the extent it is probable that they will not be reversed in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that asset.

(n) Loans

Loans are separated into their liability and equity components on the consolidated statements of financial position. The liability component is initially recognized at fair value, determined as the net present value of future payments of interest and principal, discounted at the market rate for similar liabilities at the time of issue. The liability component is subsequently measured at amortized cost, using the effective interest method, until extinguished upon conversion or maturity.

The fair value of the equity component of debt is estimated using the residual method in which the difference between the face value of the instrument and the fair value of the liability component is allocated as the fair value of the equity component. The issuance costs have been allocated on a pro-rata basis between the debt and equity components.

(Expressed in Canadian Dollars)

4. NEW ACCOUNTING STANDARDS AND POLICIES

Accounting standards issued but not yet applied

Leases
IFRS 16 Leases is a new standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. It introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company has determined that this new standard will not have a material impact on its financial statements as it has no leases.

5. ACQUISITION OF EXAHASH CRYPTOMINING CORP.

On November 7, 2018, the Company acquired 100% of the issued and outstanding common shares of Exahash Cryptomining Corp. ("Exahash"), a cryptomining company, for $2,500. The acquisition was treated as a business combination. In accordance with IFRS 3 "Business Combinations", the assets acquired, and liabilities assumed are measured at their fair value at the acquisition date and the excess value of the consideration above the fair value of the net assets acquired is recognized as goodwill.

The acquisition was recorded as follows:

Fair value of consideration		
Cash	$	2,500
Assets acquired		
Cash		764
Digital currencies		6,461
Cryptomining equipment (Note 6)		9,674
Computer equipment (Note 6)		723
Accounts payable		(31,829)
Intercompany loan		(108,876)
		(123,083)
Goodwill	$	123,083

As at July 31, 2019, the Company has impaired goodwill by $123,083 and accordingly no goodwill remains as at July 31, 2019.

(Expressed in Canadian Dollars)

6. EQUIPMENT

		Cryptomining Equipment		Computer Equipment		Total
Cost						
Balance July 31, 2017 and 2018	$	-	$	-	$	-
Acquisition of subsidiary (Note 5)		9,674		723		10,397
Balance July 31, 2019	$	9,674	$	723	$	10,397
Amortization						
Balance July 31, 2017 and 2018	$	-	$	-	$	-
Additions		3,628		250		3,878
Balance July 31, 2019	$	3,628	$	250	$	3,878
Net book value						
Balance July 31, 2018	$	-	$	-	$	-
Balance July 31, 2019	$	6,046	$	473	$	6,519

7. INVESTMENTS

On August 30, 2018, the Company purchased 945,945 units of ThinkCX Technologies Inc. (“ThinkCX”), for $350,000. Each unit consisted of one Series 1 Class A preferred share and one Series 1 Class A preferred share purchase warrant. Each share purchase warrant entitles the Company to purchase an additional Series 1 Class A preferred share of ThinkCX at a price of $0.37 until August 23, 2019.

On January 19, 2019, the Company received 333,140 Series 1 seed preferred shares of SiteMax Systems Inc. (“SiteMax”) with a fair value of $276,507 from Mobio in connection with a plan of arrangement agreement between the Company and Mobio with a corresponding increase in the loan due to Mobio.

On January 29, 2019, the Company entered into an agreement to purchase 337,301 Series 2 seed preferred shares of SiteMax for $600,000. The Company paid $425,000 and is committed to advance an additional amount of $175,000 upon SiteMax achieving $80,000 in monthly recurring revenue.

On February 22, 2019, in accordance with the Plan of Arrangement, Mobio transferred various investments with a fair value of $705,666 to the Company with a corresponding increase in the laon to Mobio.

On July 9, 2019, the Company entered into an agreement to loan $25,000 to ThinkCX. The loan is secured by a convertible promissory note that bears interest at 12% per annum and is due July 9, 2021. The promissory note is convertible into preferred shares of ThinkCX at a price of $0.37.

On July 22, 2019, the Company entered into an agreement to loan US $13,628 ($18,298) to Blue Mesa Health Inc. (“Blue Mesa”). The loan is secured by a promissory note that bears interest at 12% per annum and is due 90 days from the date of the agreement.

(Expressed in Canadian Dollars)

7. INVESTMENTS (CONT'D)

Investments transactions for the year ended July 31, 2019 are as follows:

Opening Balance	Transferred from Mobio (Plan of Arrangement)	Purchases	Change in Fair Value of Investments	Accrued Interest	Foreign Exchange Loss	Fair Value
$ -	$ 982,173	$ 818,298	$ (32,188)	$ 9,833	$ (2,873)	$ 1,775,243

8. TRADE PAYABLES AND ACCRUED LIABILITIES

	July 31, 2019	July 31, 2018
Accounts payable	$ 37,446	$ 268,309
Accrued liabilities	280	-
Total accounts payable and accrued liabilities	$ 37,726	$ 268,309

During the year ended July 31, 2019, the Company reversed $222,223 of accrued liabilities.

9. RELATED PARTY LOANS

Short term loans

On November 8, 2018, the Company received a loan in the amount of $64,777 (US $50,000) from a company controlled by an officer. The loan is unsecured, due on demand and bears interest at 10% per annum. During the year ended July 31, 2019, the Company recorded $4,834 (Note 12) (year ended July 31, 2018 - $Nil) in interest on the loan. The balance of the loan at July 31, 2019, including an exchange loss of $920,
is $70,531.

Long term loans

On August 30, 2018, the Company received a loan in the amount of $379,828 (US$300,000) from a company controlled by an officer. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest are due on August 30, 2020. The loan was originally recorded at face value of $379,828 less the value of the equity component of the loan, determined by discounting the loan at an appropriate market rate of interest, of $57,836. During the year ended July 31, 2019, the Company recorded $64,934 (Note 12) (year ended July 31, 2018 - $Nil) in interest and accretion on the loan. The balance of the loan at July 31, 2019, including an exchange loss of $12,024 is $398,950.

On January 29, 2019, the Company received a loan in the amount of $700,000 from a company with a common director and a common officer. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest are due on January 29, 2021. The loan was originally recorded at face value of $700,000 less the value of the equity component of the loan, determined by discounting the loan at

(Expressed in Canadian Dollars)

9. RELATED PARTY (CONT'D)

Long term loans (cont'd)

an appropriate market rate of interest, of $108,147. During the year ended July 31, 2019, the Company recorded $60,307 (Note 12) (year ended July 31, 2018 - $Nil) in interest and accretion on the loan. The balance of the loan at July 31, 2019 is $652,160.

The loans are made up as follows:

	Liability component	Equity component
Balance, July 31, 2018	$ -	$ -
Increases	978,622	165,983
Accrued interest and accretion	130,075	-
Foreign exchange loss	12,944	-
Balance, July 31, 2019	$ 1,121,641	$ 165,983

	July 31, 2019	July 31, 2018
Short-term loans	$ 70,531	$ -
Long-term loans	1,051,110	-
	$ 1,121,641	$ -

10. DUE TO FORMER PARENT COMPANY

Amounts due to Mobio are unsecured, non-interest bearing and have no specified terms of repayment.

11. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value.
Issued:
38,147,546 common shares (July 31, 2018 – 15, 265,212)

During the year ended July 31, 2019, one share was returned to treasury, 15,265,211 shares were cancelled, and 38,147,546 shares were issued pursuant to the Plan of Arrangement (Note 1).

Stock Options

During the year ended July 31, 2019, the Company established a stock option plan (the "Plan"). The purpose of the Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares of the Company thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (CONT'D)

Stock Options (cont'd)

The aggregate number of shares that may be issued pursuant to the exercise of options awarded under the stock option plan and all other security-based compensation arrangements of the

Company shall not exceed twenty (20%) percent of the issued and outstanding shares immediately following the issuance of shares pursuant to the Plan of Arrangement.

The Company did not issue any stock options during the year ending July 31, 2019 and has no stock options are outstanding at July 31, 2019.

12. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2019, the Company received $444,608 (US $350,000) from a company controlled by an officer and $700,000 from a company with a common director and a common officer. The loans are unsecured and bear interest at 10%. (See Note 9).

Interest and accretion recorded on related party loans are as follows:

Year ended July 31		**2019**		**2018**
Interest and accretion on loans payable to companies with a common director and officer or to companies controlled by directors and/or officers	$	130,075	$	-

Payments to key management and directors during the years ended July 31, 2019 and 2018 were as follows:

		2019		**2018**
Fees paid to a company controlled by the CFO	$	22,774	$	-

Fees paid to directors and officers are included in the line item "Management and consulting fees" in the Company's Consolidated Statements of Comprehensive Loss.

Included in trade payables is an amount of $21,114 (July 31, 2018 - $Nil) owing to an officer of the Company. Amounts due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, investments, accounts payable, loans payable and amounts due to former parent company. As at July 31, 2019, there were no significant differences between the carrying amounts of these items and their estimated fair values. The carrying value of these items approximates their fair values.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable.

13. FINANCIAL INSTRUMENTS (CONT'D)

Fair Value (cont'd)

The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included 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 (unobservable inputs).

As of July 31, 2019, the Company classified cash as Level 1 and investments as Level 3.

The Board of Directors approves and monitors the risk management processes. The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Liquidity risk
- Currency risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. All of the Company's loans payable and investments have a fixed interest rate therefore the Company is not currently exposed to interest rate risk.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash. Management believes that the credit risk with respect to cash is minimal as balances are held with a high-credit quality financial institution.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

Market Risk

The Company's exposure to financial market risk is limited, as it presently does not have any investments where value fluctuates as a result of changes in prices quoted in open markets.

Currency risk

The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. At July 31, 2019, the Company has $350,000 in US dollar denominated loans and $224,737 in US dollar denominated investments. As such, the Company's results of operations are subject to foreign currency fluctuation risks and these fluctuations may adversely affect the financial position and operating results of the Company. As of July 31, 2019, the Company does not use derivative instruments to reduce its exposure to currency risk. At July 31, 2019, a ten percent change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by $16,470.

(Expressed in Canadian Dollars)

14. CAPITAL MANAGEMENT

The Company defines capital as an aggregate of cash and common shares. The Company manages its capital structure to ensure it has sufficient capital to meet its obligations as they come due.

15. INCOME TAXES

A reconciliation of the calculated income taxes for the fiscal years ended July 31, 2019 and 2018 are as follows:

		July 31, 2019		July 31, 2018
Combined federal and provincial statutory income tax		27.00%		27.00%
Accounting loss before income taxes	$	(73,988)	$	(13,587)
Expected income tax recovery at statutory rates		(19,977)		(3,668)
Non-deductible expenditures		33,232		-
Other		12,245		3,524
Effect of changes in tax rate		-		144
Change in valuation		(25,500)		-
Income tax recovery	$	-	$	-

The Company did not recognize the following deferred tax assets for the following deductible temporary differences:

		July 31, 2019		July 31, 2018
Non-capital losses	$	5,495,398	$	5,623,278
Goodwill		453,376		-
Investments		35,061		-
Other deductible temporary differences		(5,501)		453,376
		5,978,334		6,076,654
Tax benefits not recognized		(5,978,334)		(6,076,654)
Balance	$	-	$	-

As at July 31, 2019, the Company has $5,495,398 in tax loss carry-forwards that it can apply against income in future years.

16. SUBSEQUENT EVENTS

The Company purchased 333,334 Series B Convertible Preferred Shares ("Series B Shares") in the capital of Votigo Inc. ("Votigo"), for a price of USD $0.90 per Series B Share, or USD $300,000 in the aggregate. The Company will be purchasing an additional 777,777 Series B Shares at USD $0.90 per Series B Share, or USD $699,999 in the aggregate, no later than the one-year anniversary of the closing. The Company is the only holder of Series B Shares.

16. SUBSEQUENT EVENTS (CONT'D)

As part of the transaction, the Company also purchased 834,349 Series A Convertible Preferred Shares ("Series A Shares") out of a total issued and outstanding 1,668,695 Series A Shares, for a purchase price of $0.8333 per Series A Share, or USD $695,263 in the aggregate. USD $347,632 of the purchase price will be paid in cash at closing, and the remainder $347,631 will be paid in shares of Plank if Plank's shares become listed on a securities exchange, at a volume weighted average price of Plank's shares for the first 30 days of listing. If the Company does not list its shares on an exchange prior to nine months after closing, then it must pay the remainder of the purchase price in cash.

The Company issued 300,000 stock options to purchase common stock in the capital of the Company at an exercise price of $0.10 per common share. The options vest over four years, with one quarter of the options vesting upon the one-year anniversary of closing, and thereafter vesting monthly.

The Company exercised 150,601 warrants to purchase common shares of SiteMax at $0.83 per share.