

# **Plank Ventures Ltd.**

Condensed Consolidated Interim Financial Statements  
(Unaudited)

(EXPRESSED IN CANADIAN DOLLARS)

**For the Three Months Ended October 31, 2019 and 2018**

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**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The Company's auditors have not reviewed or been involved in the preparation of these condensed consolidated interim financial statements.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

In accordance with National Instrument 51-102 Section 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of condensed consolidated interim financial statements by an entity's auditor, for the three-month periods ended October 31, 2019 and 2018.

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

# PLANK VENTURES LTD.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

|   | Notes | October 31, 2019    | July 31, 2019       |
|---|-------|---------------------|---------------------|
| <b>ASSETS</b>   |       |                     |                     |
| <u>Current Assets</u>                                 |       |                     |                     |
| Cash  |       | \$ 990,429          | \$ 264,729          |
| Accounts receivable                                   |       | 4,608               | 2,205               |
| Prepaid expenses                                      |       | 3,336               | 7,096               |
| Digital currencies                                    |       | <u>14,963</u>       | <u>17,545</u>       |
|   |       | 1,013,336           | 291,575             |
| <u>Non-Current Assets</u>                             |       |                     |                     |
| Equipment   | 4     | 390                 | 6,519               |
| Investments   | 5     | <u>2,014,825</u>    | <u>1,775,243</u>    |
| <b>TOTAL ASSETS</b>                                   |       | <b>\$ 3,028,551</b> | <b>\$ 2,073,337</b> |
| <b>LIABILITIES</b>                                    |       |                     |                     |
| <u>Current Liabilities</u>                            |       |                     |                     |
| Accounts payable and accrued liabilities              | 6     | \$ 56,970           | \$ 37,726           |
| Due to former parent company                          | 8     | \$ 6,543,118        | \$ 6,543,118        |
| Related party loans                                   | 7,10  | <u>1,491,421</u>    | <u>70,531</u>       |
|   |       | 8,091,509           | 6,651,375           |
| <u>Non-Current Liabilities</u>                        |       |                     |                     |
| Related party loans                                   | 7,10  | <u>683,257</u>      | <u>1,051,110</u>    |
| <b>TOTAL LIABILITIES</b>                              |       | <b>8,774,766</b>    | <b>7,702,485</b>    |
| <b>SHAREHOLDERS' DEFICIENCY</b>                       |       |                     |                     |
| Share capital   | 9     | 536,521             | 536,521             |
| Equity portion of debt                                | 7     | 165,983             | 165,983             |
| Deficit   |       | <u>(6,448,719)</u>  | <u>(6,331,652)</u>  |
| <b>TOTAL SHAREHOLDERS' DEFICIENCY</b>                 |       | <b>(5,746,215)</b>  | <b>(5,629,148)</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b> |       | <b>\$ 3,028,551</b> | <b>\$ 2,073,337</b> |
| Nature of operations and going concern uncertainty    | 1     |                     |                     |
| Subsequent events                                     | 13    |                     |                     |
| <i>Approved on behalf of the board</i>                |       |                     |                     |
| <i>"Michael Edwards"</i>                              |       |                     |                     |
| <hr/>   |       |                     |                     |
| Michael Edwards, Director                             |       |                     |                     |
| <i>"Laurie Baggio"</i>                                |       |                     |                     |
| <hr/>   |       |                     |                     |
| Laurie Baggio, Director                               |       |                     |                     |

See accompanying notes to the condensed consolidated interim financial statements.

# PLANK VENTURES LTD.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

|  |       | Three months ended October 31, |               |
|--|-------|--------------------------------|---------------|
|  | Notes | 2019                           | 2018          |
| <b>REVENUE</b>   |       |                                |               |
| Cryptomining   |       | \$ 1,635                       | \$ -          |
| <b>EXPENSES</b>  |       |                                |               |
| Depreciation   | 4     | 6,129                          | -             |
| Management and consulting fees   | 10    | 10,208                         | -             |
| Professional fees  |       | 50,125                         | -             |
| Office and administration  |       | 7,600                          | 204           |
| Foreign exchange   |       | 79                             | 12,582        |
|  |       | <u>74,141</u>                  | <u>12,786</u> |
| Interest expense   | 7,10  | 52,723                         | 11,475        |
| Interest income  | 5     | (6,847)                        | -             |
| Other income   | 5     | (5,532)                        | -             |
| Unrealized loss on fair value of digital currencies                                    |       | 4,218                          | -             |
|  |       | <u>44,562</u>                  | <u>11,475</u> |
| <b>Net loss and comprehensive loss for the period</b>                                  |       | \$ (117,067)                   | \$ (24,261)   |
| <b>Basic and diluted loss per share</b>  |       | \$ (0.00)                      | \$ (0.00)     |
| Weighted average number of common shares outstanding for the period, basic and diluted |       | 38,147,546                     | 15,265,212    |

See accompanying notes to the condensed consolidated interim financial statements.

## PLANK VENTURES LTD.

### CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(Unaudited - Expressed in Canadian dollars)

|                             | Share capital       |            | Equity portion<br>of debt | Deficit        | Total          |
|-----------------------------|---------------------|------------|---------------------------|----------------|----------------|
|                             | Number of<br>shares | Amount     |                           |                |                |
| Balance at July 31, 2018    | 15,265,212          | \$ 536,521 | \$ -                      | \$ (6,257,664) | \$ (5,721,143) |
| Return to treasury          | (1)                 | -          | -                         | -              | -              |
| Equity portion of debt      | -                   | -          | 57,836                    | -              | 57,836         |
| Loss for the period         | -                   | -          | -                         | (24,261)       | (24,261)       |
| Balance at October 31, 2018 | 15,265,211          | 536,521    | 57,836                    | (6,281,925)    | (5,687,568)    |
| Balance at July 31, 2019    | 38,147,546          | \$ 536,521 | \$ 165,983                | \$ (6,331,652) | \$ (5,629,148) |
| Loss for the period         | -                   | -          | -                         | (117,067)      | (117,067)      |
| Balance at October 31, 2019 | 38,147,546          | \$ 536,521 | \$ 165,983                | \$ (6,448,719) | \$ (5,746,215) |

See accompanying notes to the condensed consolidated interim financial statements.

# PLANK VENTURES LTD.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited - Expressed in Canadian Dollars)

| Periods ended October 31,  | 2019         | 2018        |
|--|--------------|-------------|
| <b>OPERATING ACTIVITIES</b>  |              |             |
| Net loss for the period  | \$ (117,067) | \$ (24,261) |
| <u>Items not affecting cash</u>  |              |             |
| Depreciation   | 6,129        | -           |
| Unrealized foreign exchange losses                                       | 78           | 12,582      |
| Loss on fair value of digital currencies                                 | 4,218        | -           |
| Cryptomining revenue   | (1,635)      | -           |
| Accrued interest income  | (6,847)      | -           |
| Accrued interest expense   | 52,723       | 11,475      |
| <u>Net changes in non-cash working capital</u>                           |              |             |
| Accounts receivable  | (2,404)      | -           |
| Prepaid expenses   | 3,760        | -           |
| Accounts payable and accrued liabilities                                 | 19,244       | -           |
| Net cash used in operating activities                                    | (41,801)     | (204)       |
| <b>INVESTING ACTIVITIES</b>  |              |             |
| Cash investments made  | (232,499)    | (350,000)   |
| Net cash used in investing activities                                    | (232,499)    | (350,000)   |
| <b>FINANCING ACTIVITIES</b>  |              |             |
| Proceeds from loans  | 1,000,000    | 379,828     |
| Advances from parent company   | -            | 173         |
| Net cash provided by financing activities                                | 1,000,000    | 380,001     |
| <b>NET CASH FLOW FROM OPERATING, INVESTING, AND FINANCING ACTIVITIES</b> |              |             |
|  | 725,700      | 29,797      |
| CASH, BEGINNING OF THE PERIOD  | 264,729      | 55          |
| CASH, END OF THE PERIOD  | \$ 990,429   | \$ 29,852   |

See accompanying notes to the condensed consolidated interim financial statements.

## **PLANK VENTURES LTD.**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three months ended October 31, 2019 and 2018

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY**

Plank Ventures 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") 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 condensed consolidated interim 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 October 31, 2019, the Company has an accumulated deficit of \$6,448,719 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 condensed consolidated interim financial statements were authorized for issue on December 27, 2019, by the Board of Directors of the Company.

##### **Statement of Compliance**

These condensed consolidated interim 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 condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's and its subsidiary's functional currency.

##### **Basis of Measurement**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements do not include all of the information required for full annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company for the years ended July 31, 2019, and 2018.

**PLANK VENTURES LTD.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three months ended October 31, 2019 and 2018

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**2. BASIS OF PRESENTATION (CONT'D)**

**Use of estimates and judgments**

The preparation of the condensed consolidated interim 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 condensed consolidated interim financial statements relate to the carrying value of the Company's investments (Note 6). 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 period ended October 31, 2019. Management prepares the condensed consolidated interim 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. NEW ACCOUNTING STANDARDS AND POLICIES**

**Leases**

On August 1, 2019, the Company adopted IFRS 16. IFRS 16 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. The adoption of this new standard did not have a material impact on the condensed consolidated interim financial statements as the Company has no leases.



**PLANK VENTURES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three months ended October 31, 2019 and 2018

**4. EQUIPMENT**

|   | Cryptomining<br>Equipment |       | Computer<br>Equipment |     | Total     |
|---|---------------------------|-------|-----------------------|-----|-----------|
| <b>Cost</b>   |                           |       |                       |     |           |
| <b>Balance October 31, 2019 and July<br/>31, 2019</b> | \$                        | 9,674 | \$                    | 723 | \$ 10,397 |
| <b>Amortization</b>                                   |                           |       |                       |     |           |
| <b>Balance July 31, 2019</b>                          | \$                        | 3,628 | \$                    | 250 | \$ 3,878  |
| Additions   |                           | 6,046 |                       | 83  | 6,129     |
| <b>Balance October 31, 2019</b>                       | \$                        | 9,674 | \$                    | 333 | \$ 10,007 |
| <b>Net book value</b>                                 |                           |       |                       |     |           |
| <b>Balance July 31, 2019</b>                          | \$                        | 6,046 | \$                    | 473 | \$ 6,519  |
| <b>Balance October 31, 2019</b>                       | \$                        | -     | \$                    | 390 | \$ 390    |

**5. 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 the Plan of Arrangement 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 October 28, 2019, the Company advanced an additional amount of \$87,500 to SiteMax (Note 13).

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 loan to Mobio. Investees included, among others, 500 Startups Canada, L.P. ("500 Startups") and Sockeye Technologies Inc. ("Sockeye"). During the period ended October 31, 2019, the Company earned interest income of \$5,545 on an unsecured convertible promissory note from Sockeye and dividend income of \$5,532 from 500 Startups.

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. During the period ended October 31, 2019, the Company earned interest income of \$756 on the loan.

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. The loan was subsequently amended on August 22, 2019 and again on September 26, 2019 to extend the maturity date for an additional 90 days. During the period ended October 31, 2019, the Company earned interest income of \$546 on the

**PLANK VENTURES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three months ended October 31, 2019 and 2018

**5. INVESTMENTS (CONT'D)**

Loan (Note 13).

On October 16, 2019, the Company entered into an agreement to loan \$20,000 to ThinkCX. The loan is secured by a convertible promissory note that bears interest at 12% per annum and is due October 16, 2021. The promissory note is convertible into preferred shares of ThinkCX.

Investment transactions for the period ended October 31, 2019 are as follows:

| Opening<br>Balance | Purchases  | Change in Fair<br>Value of<br>Investments | Accrued<br>Interest | Foreign<br>Exchange Loss | Fair Value   |
|--------------------|------------|---|---------------------|--------------------------|--------------|
| \$ 1,775,243       | \$ 232,499 | \$ -                                      | \$ 6,847            | \$ 236                   | \$ 2,014,825 |

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

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

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|  | October 31,<br>2019 | July 31,<br>2019 |
|--|---------------------|------------------|
| Accounts payable                               | \$ 41,407           | \$ 37,446        |
| Accrued liabilities                            | 15,563              | 280              |
| Total accounts payable and accrued liabilities | \$ 56,970           | \$ 37,726        |

**7. RELATED PARTY LOANS****Short 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 period ended October 31, 2019, the Company recorded \$18,451 (Note 12) (period ended October 31, 2018 - \$11,475) in interest and accretion on the loan. The balance of the loan at October 31, 2019, is \$417,660.

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 three months ended October 31, 2019, the Company recorded \$1,668 (Note 12) (period ended October 31, 2018 - \$Nil) in interest on the loan. The balance of the loan at October

**PLANK VENTURES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three months ended October 31, 2019 and 2018

**7. RELATED PARTY LOANS (CONT'D)****Short term loans (cont'd)**

31, 2019 is \$72,254.

On October 21, 2019, the Company received a loan in the amount of \$1,000,000 from a company controlled by a director of a related company. The loan is secured by a promissory note, bears interest at 5% and is due on demand. During the period ended October 31, 2019, the Company recorded interest of \$1,507 (period ended October 31, 2018 - \$Nil) on the loan. The balance of the loan at October 31, 2019 is \$1,001,507.

**Long term loans**

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 an appropriate market rate of interest, of \$108,147. During the period ended October 31, 2019, the Company recorded \$31,097 (Note 12) (period ended October 31, 2018 - \$Nil) in interest and accretion on the loan. The balance of the loan at October 31, 2019 is \$683,257.

The loans are made up as follows:

|                                  | <b>Liability<br/>component</b> | <b>Equity<br/>component</b> |
|----------------------------------|--------------------------------|-----------------------------|
| <b>Balance, July 31, 2019</b>    | \$ 1,121,641                   | \$ 165,983                  |
| Increases                        | 1,000,000                      | -                           |
| Accrued interest and accretion   | 52,723                         | -                           |
| Foreign exchange loss            | 314                            | -                           |
| <b>Balance, October 31, 2019</b> | <b>\$ 2,174,678</b>            | <b>\$ 165,983</b>           |
|                                  | <b>October 31, 2019</b>        | <b>July 31, 2019</b>        |
| Short-term loans                 | \$ 1,491,421                   | \$ 70,531                   |
| Long-term loans                  | 683,257                        | 1,051,110                   |
|                                  | <b>\$ 2,174,678</b>            | <b>\$ 1,121,641</b>         |

**8. DUE TO FORMER PARENT COMPANY**

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

**PLANK VENTURES LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three months ended October 31, 2019 and 2018

**9. SHARE CAPITAL****Authorized:**

Unlimited number of common shares without par value.

**Issued:**

38,147,546 common shares (July 31, 2019 – 38,147,546)

**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.

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 period ended October 31, 2019 and has no stock options outstanding at October 31, 2019 (Note 13).

**10. RELATED PARTY TRANSACTIONS**

During the period ended October 31, 2019, the Company received \$1,000,000 from a company controlled by an officer of a related company. The loan is secured by a promissory note, due on demand and bears interest at 5%. (See Note 7).

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

| <b>Period ended October 31</b>  | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| Interest and accretion on loans payable to companies with a common director and officer or to companies controlled by directors and/or officers or by a director of a related company | \$ 52,723   | \$ 11,475   |

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

|  | <b>2019</b> | <b>2018</b> |
|--|-------------|-------------|
| Fees paid to a company controlled by the CFO | \$ 10,208   | \$ -        |

Fees paid to directors and officers are included in the line item "Management and consulting fees" in the Company's condensed consolidated interim statements of comprehensive loss.

Included in accounts payable is an amount of \$9,407 (July 31, 2019 - \$21,114) owing to an officer of the Company. Payables due to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

**PLANK VENTURES LTD.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three months ended October 31, 2019 and 2018

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**11. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, investments, accounts payable, loans payable and amounts due to former parent company. As at October 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.

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 October 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.

**PLANK VENTURES LTD.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

Three months ended October 31, 2019 and 2018

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**11. FINANCIAL INSTRUMENTS (CONT'D)**

**Currency risk**

The Company is headquartered in Canada and its functional reporting currency is the Canadian dollar. At October 31, 2019, the Company has \$350,000 in US dollar loans and \$199,636 in US dollar 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 October 31, 2019, the Company does not use derivative instruments to reduce its exposure to currency risk. At October 31, 2019, a ten percent change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by \$19,788.

**12. 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.

**13. SUBSEQUENT EVENTS**

1. 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.

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.

In connection with the transaction, 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.

2. The Company advanced an additional amount of \$20,000 to SiteMax in connection with its January 29, 2019 investment in SiteMax (Note 5).
3. The loan advanced to Blue Mesa Health was amended on November 20, 2019 to extend the maturity date for an additional 90 days (Note 5).