Plank Ventures Ltd.

Consolidated Financial Statements

(EXPRESSED IN CANADIAN DOLLARS)

For the Years Ended July 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Plank Ventures Inc.

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, 2020 and 2019, and the consolidated statements of income (loss) and comprehensive income (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, 2020 and 2019, 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 had an accumulated deficit of $6,121,324 as at July 31, 2020. 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.

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 30, 2020

PLANK VENTURES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes	July 31, 2020	July 31, 2019
ASSETS			
Current Assets			
Cash		$ 611,961	$ 264,729
Accounts receivable	5,9	851,247	2,205
Prepaid expenses		24,880	7,096
Digital currencies		15,696	17,545
		1,503,784	291,575
Non-Current Assets			
Equipment	6	139	6,519
Right-of-use asset	7	79,786	-
Intangible assets	4,8	2,364,914	-
Purchase option	4,8	64,018	-
Investments	9	2,765,939	1,775,243
TOTAL ASSETS		$ 6,778,580	$ 2,073,337
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	10,16	$ 1,111,902	$ 37,726
Due to former parent company	14	6,543,410	6,543,118
Related party loans	13,16	2,587,636	70,531
Current portion of lease liability	11	29,761	-
Current portion of term loans payable	12	985	-
Deferred government grant	12	126,538	-
Deferred revenue	17	203,507	-
		10,603,739	6,651,375
Non-Current Liabilities			
Lease liability	11	53,335	-
Term loans payable	12	48,897	-
Deferred tax liability	22	263,773	-
Related party loans	13	-	1,051,110
TOTAL LIABILITIES		10,969,744	7,702,485
SHAREHOLDERS' DEFICIENCY			
Share capital	15	536,521	536,521
Reserves	15	12,632	-
Equity portion of debt	13	165,983	165,983
Accumulated other comprehensive loss		(30,402)	-
Deficit		(6,121,324)	(6,331,652)
Equity attributable to shareholders of the Company		(5,436,590)	(5,629,148)
Non-controlling interest	4,18	1,245,426	-
TOTAL SHAREHOLDERS' DEFICIENCY		(4,191,164)	(5,629,148)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		$ 6,778,580	$ 2,073,337

Nature of operations and going concern uncertainty 1

Subsequent events 24

Approved on behalf of the board

"Brian O'Neill" — Brian O'Neill, Director

"Laurie Baggio" — Laurie Baggio, Director

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)

	Notes	Year ended July 31, 2020	Year ended July 31, 2019
REVENUE			
Sales revenue		$ 1,137,969	$ -
Cryptomining		1,581	5,989
		1,139,550	5,989
COST OF REVENUE			
Hosting charges and other		114,000	-
Gross Profit		1,025,550	5,989
EXPENSES			
Amortization	6,7,8	157,652	3,878
Management and consulting fees	16	128,935	25,410
Personnel		981,963	-
Professional fees		321,130	14,352
Office and administration		187,301	19,640
Regulatory and filing fees		5,000	649
Share-based payments	15	12,632	-
Foreign exchange		(24,561)	(31,441)
		1,770,052	32,488
Interest expense	11,12,13,16	260,760	130,075
Impairment of goodwill	4	-	123,083
Interest income	9	(31,445)	(9,833)
Reversal of accrued liabilities	10	-	(222,223)
Gain on sale of investment	9	(17,591)	-
Fair value loss (gain) on investments	9	(811,193)	32,188
Fair value loss on purchase option	8	18,632	-
Government grant	12	(138,728)	-
Other income		(4,242)	(300)
Unrealized loss (gain) on fair value of digital currencies		3,430	(5,501)
		(720,377)	47,489
Net income (loss) before taxes		(24,125)	-
Deferred income tax recovery		74,984	-
Net income (loss) after taxes		**$ 50,859**	**$ (73,988)**
Net income (loss) attributable to:			
Shareholders of the parent company		$ 210,328	$ (73,988)
Non-controlling interest		(159,469)	-
		$ 50,859	**$ (73,988)**
Other comprehensive loss:			
Foreign currency translation loss attributed to equity shareholders of the parent company		(30,402)	-
Comprehensive income (loss) for the year		**$ 20,457**	**$ (73,988)**
Basic and diluted income (loss) per share		**$ 0.00**	**$ (0.00)**
Weighted average number of common shares outstanding		**38,147,546**	**25,295,824**

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian dollars)

Years ended July 31, 2020 and 2019

		Share capital							
	Note	Number of shares	Amount	Reserves	Equity portion of debt	Accumulated other comprehensive income	Deficit	Non-controlling interest	Total
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	1,15	(15,265,211)	-	-	-	-	-	-	-
Issue of new shares on plan of arrangement	1,15	38,147,546	-	-	-	-	-	-	-
Equity portion of debt	13	-	-	-	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)**
Share-based payments	15	-	-	12,632	-	-	-	-	12,632
Investment in subsidiary	4	-	-	-	-	-	-	1,404,895	1,404,895
Foreign currency translation		-	-	-	-	(30,402)	-	-	(30,402)
Income (loss) for the year	18	-	-	-	-	-	210,328	(159,469)	50,859
Balance at July 31, 2020		**38,147,546**	**$ 536,521**	**$ 12,632**	**$ 165,983**	**$ (30,402)**	**$ (6,121,324)**	**$ 1,245,426**	**$ (4,191,164)**

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

Years ended July 31,		2020		2019
OPERATING ACTIVITIES				
Net income (loss) for the year	$	50,859	$	(73,988)
Items not affecting cash				
Amortization		157,652		3,878
Unrealized foreign exchange loss		(24,689)		16,222
Reversal of accrued liabilities		-		(222,223)
Deferred income tax recovery		(74,984)		-
Impairment of goodwill		-		123,083
Share-based payments		12,632		-
Loss (gain) on fair value of digital currencies		3,430		(5,501)
Gain on sale of investment		(17,591)		-
Fair value loss (gain) on investments		(811,193)		32,188
Fair value loss on purchase option		18,632		-
Government grant		(138,728)		-
Cryptomining revenue		(1,581)		(5,989)
Accrued interest income		(27,938)		(9,833)
Accrued interest expense		260,760		130,075
Net changes in non-cash working capital				
Accounts receivable		(409,136)		(2,205)
Prepaid expenses		31,774		(7,096)
Deferred revenue		122,375		-
Accounts payable and accrued liabilities		285,233		(41,260)
Net cash used in operating activities		(562,493)		(62,649)
INVESTING ACTIVITIES				
Acquisition of subsidiary - Votigo		(861,461)		-
Cash assumed from acquisition of subsidiary		654,818		764
Cash investments made		(419,999)		(818,298)
Proceeds from sale of investments		36,349		-
Return of capital from investment		5,532		-
Lease payments repayments		(18,789)		-
Net cash used in investing activities		(603,550)		(817,534)
FINANCING ACTIVITIES				
Term loans received		312,983		-
Proceeds from related party loans		1,200,000		1,144,605
Advances from former parent company		292		252
Net cash provided by financing activities		1,513,275		1,144,857
NET CHANGE IN CASH		347,232		264,674
CASH, BEGINNING OF THE YEAR		264,729		55
CASH, END OF THE YEAR	$	611,961	$	264,729

See accompanying notes to the consolidated financial statements.

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 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, 2020, the Company has an accumulated deficit of $6,121,324.

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 cast significant doubt about the Company's ability to continue as a going concern. The consolidated 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.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus ("COVID-19"). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations, cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

2. BASIS OF PRESENTATION

These consolidated financial statements were authorized for issue on November 30, 2020, 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 and interpretations of the International Financial Reporting Interpretations Committee.

Functional and Presentation Currency
The consolidated financial statements are presented in Canadian dollars, which is the functional currency of Plank Ventures Ltd.

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.

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. 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 9) and the carrying value of goodwill and intangible assets (Note 8). 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, 2020. 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. Other significant estimates and assumptions were used with respect to the fair value of investments, the determination of whether a business combination or an asset acquisition took place in the year, the expected life of intangible assets, and the impairment of goodwill.

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.

2. BASIS OF PRESENTATION (CONT'D)

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Details of controlled subsidiaries are as follows:

		Percentage owned*	
	Country of incorporation	**July 31, 2020**	**July 31, 2019**
Exahash Cryptomining Corp. ("Exahash")	Canada	100%	100%
Votigo, Inc. ("Votigo")	USA	29.11%	0%

*Percentage of voting power is in proportion to ownership.

Votigo is a controlled subsidiary of the Company. The Company acquired an interest in Votio and entered into a voting agreement giving the Company the ability to elect the majority of the board.

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.

(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.

The consolidated financial statements at July 31, 2020 include the assets, liabilities, revenues and expenses of the Company's controlled subsidiaries. All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

(b) Business Combinations

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 to be considered a business combination.

(c) Functional Currency and Presentation

The Company's and Exahash's functional currency and reporting 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.

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

Revenue and expenses denominated in 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).

The functional currency of Votigo is the US dollar. The assets and liabilities of Votigo included in these consolidated financial statements are translated from functional currency to the Company's presentation currency using the exchange rates at period end. Income, expenses and cash flow items included in these consolidated financial statements are translated from functional currency to the Company's presentation currency using the exchange rate that approximates the exchange rates at the date of the transactions (i.e. the average rate for the period). The differences arising upon translation from the functional currency to the reporting currency are recorded as foreign currency translation adjustment in the other comprehensive income and remain in the other comprehensive income until a subsidiary is partially or fully disposed of, or until the Company determines that it is abandoning all of the non-financial assets which are held by that subsidiary. Upon disposal, the corresponding foreign currency translation adjustment is removed from other comprehensive income as is recognized as realized foreign exchange gain or loss in net income.

(d) Revenue Recognition

Revenue is recognized when a contractual arrangement is in place, the fee is fixed and determinable, the products and services have been delivered to the customer, and collectability is reasonably assured. The Company's principal source of software revenue and recognition of these revenues are as follows:

(i) On-line subscription fees – generally recognized over time; and
(ii) Advertising and sponsorship fees – recognized when the services are delivered.

Payments received in advance are recorded as deferred revenue and recognized into revenue as services are delivered or subscription time elapses.

Cryptomining revenue is recognized when the digital currencies have been received by the Company.

(e) Intangible Assets and Goodwill

Intangible assets with finite lives consist of acquired technologies, software trade names and customer relationships. 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. Intangible assets acquired consists mainly of brand names, online platform and customer relationships. Amortization is calculated on a straight-line method over their estimated useful lives of 10 years.

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.

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

(f) Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income (loss).

Depreciation is calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation rates applicable to each category of equipment are as follows:

Class of property, plant and equipment	Depreciation rate
Cryptomining equipment	50%
Computer equipment	33%

(g) 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.

(h) 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.

(i) Financial Instruments

(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.

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

(i) Financial Instruments (cont'd)

(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 the consolidated statements of net (loss) income. 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 the consolidated statements of net (loss) income in the period in which they arise.

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 OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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 the consolidated statements of comprehensive income (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.

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

(j) 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.

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

(l) 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 for the year ended July 31, 2020 includes the foreign exchange loss for the translation of Votigo's financial statements, which are denominated in US dollars, to Canadian dollars being the reporting currency.

(m) 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. When a loss is incurred during the reporting period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

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

(n) 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 an impact on the consolidated financial statements as at August 1, 2019 as the Company had no leases.

On January 1, 2020, the Company entered into a lease contract. At inception of a contract, the Company recognized a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of useful life of the right-of-use asset or the lease term the straight-line method as this most closely reflects the expected pattern of the consumption of the future economic benefits.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at the amortized cost using the effective interest method.

The lease payments associated with those leases is recognized as an expense on a straight-line basis over the lease term.

(o) 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.

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

(o) Impairment of Non-Financial Assets (cont'd)

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.

(p) Loans

Loans are separated into their liability and equity components, if any, 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.

(q) 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.

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

(r) Cash

Cash consists of cash, and deposits held at call with banks. As a result, the carrying amount of cash approximates fair value.

(s) Government Grant

A government grant is recognized when there is reasonable assurance it will be received, and all related conditions will be complied with. The Company recognises government grants in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate. The Company carefully determines whether the grant compensates expenses already incurred or future costs.

4. ACQUISITION

(a) Investment in Votigo, Inc.

On November 12, 2019, the Company purchased the following from Votigo, an online promotions company using Software-as-a-Service platform:

- Purchased 333,334 Series B Convertible Preferred Shares ("Series B Shares") for a price of USD $0.90 per Series B Share, or USD $300,000 (CDN $399,052) in the aggregate which was satisfied by a cash payment. 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 (Note 19.). The Company is the only holder of Series B Shares. The holders of Series B Shares have certain protective provisions whereby Votigo must obtain the consent from a majority of the holders of Series B Shares prior to entering into certain transactions. In addition, the Company entered into a voting agreement which gives the Company the right to appoint the majority of the directors of Votigo.
- 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 (CDN $462,409) of the purchase price was paid in cash at closing, and the remainder USD $347,631 (CDN $465,965) was payable as at July 31, 2020. The Company also has an option to a further 834,349 Series A Shares at US$ 1,667 per share for a two year period. The option which had a fair value, at the acquisition date, of $82,650 was valued using a Black Scholes Option Pricing Model.

The Company owns 29.11% of Votigo's total outstanding issued shares and is the sole owner of Series B Shares. As the Company is the sole owner of Series B shares and have certain protective provisions including the ability to elect the majority of the directors, in accordance with IFRS 10, the Company has control over Votigo.

The investment in Votigo was accounted for 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.

(Expressed in Canadian Dollars)

4. ACQUISITION (CONT'D)

(a) Investment in Votigo, Inc. (cont'd)

The acquisition was recorded as follows:

Fair value of consideration:		
Cash	$	861,461
Payable to the shareholders of Votigo, Inc.		465,965
		1,327,426
Net assets acquired:		
Cash		654,818
Accounts receivables		191,233
Prepaid expenses		49,558
Intangible asset (Note 8)		1,829,025
Purchase option (Note 8)		82,650
Accounts payable and accrued liabilities		(322,967)
Deferred revenue		(81,132)
Deferred tax liability		(338,757)
Non-controlling interest		(1,404,895)
		659,533
Goodwill	$	667,893

(b) Acquisition of Exahash Cryptomining Corp.

On November 7, 2018, the Company acquired 100% of the issued and outstanding common shares of Exahash, a cryptomining company, for $2,500. The acquisition was accounted for 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
Net assets acquired:		
Cash		764
Digital currencies		6,461
Cryptomining equipment (Note 5)		9,674
Computer equipment (Note 5)		723
Accounts payable		(31,829)
Intercompany loan		(108,876)
		(123,083)
Goodwill	$	123,083

At July 31, 2019, the Company determined that goodwill was impaired and recorded an impairment of $123,083 in the consolidated statements of comprehensive loss.

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

		July 31, 2020		July 31, 2019
Amount receivable from sale of investment (Note 9)	$	248,672	$	-
Trade and other receivables		595,689		-
GST recoverable		6,886		2,205
Total accounts receivable	$	851,247	$	2,205

6. EQUIPMENT

		Cryptomining Equipment		Computer Equipment		Total
Cost						
Balance July 31, 2018	$	-	$	-	$	-
Acquisition of subsidiary (Note 4)		9,674		723		10,397
Balance July 31, 2020 and 2019	$	9,674	$	723	$	10,397
Amortization						
Balance July 31, 2018	$	-	$	-	$	-
Additions		3,628		250		3,878
Balance July 31, 2019		3,628		250		3,878
Additions		6,046		334		6,380
Balance July 31, 2020	$	9,674	$	584	$	10,258
Net book value						
Balance July 31, 2019	$	6,046	$	473	$	6,519
Balance July 31, 2020	$	-	$	139	$	139

7. RIGHT-OF-USE ASSET

On January 1, 2020, the Company entered into an office lease agreement for a term of three years. In accordance with IFRS 16, the Company recorded a right-of-use asset and a lease liability with a fair value of $99,045 (Note 11). Fair value was determined by discounting future lease payments at a discount rate of 5% per annum.

The Company's right-of-use asset as at July 31, 2020:

Balance, July 31, 2019	$	-
Additions		99,045
Amortization		(19,447)
Effect of foreign exchange		188
Balance, July 31, 2020	$	79,786

(Expressed in Canadian Dollars)

8. INTANGIBLE ASSETS

Intangible assets acquired on the acquisition of Votigo consists mainly of brand names, online platform and customer relationships. Amortization is calculated on a straight-line method over their estimated useful lives of 10 years (Note 4).

A summary of the Company's intangibles are as follows:

	Brand name, online platform and customer lists	Goodwill	Purchase option	Total
Balance July 31, 2019 and 2018	$ -	$ -	$ -	$ -
Acquired on acquisition of subsidiary (Note 4)	1,829,025	667,893	82,650	2,579,568
Amortization	(131,825)	-	-	(131,825)
Fair value loss	-	-	(18,632)	(18,632)
Effect of foreign exchange	(179)	-	-	(179)
Balance July 31, 2020	$ 1,697,021	$ 667,893	$ 64,018	$ 2,428,932

9. INVESTMENTS

ThinkCX Technologies Inc. ("ThinkCX")

On August 30, 2018, the Company purchased 945,945 units of 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 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 year ended July 31, 2020, the Company earned interest income of $3,008 on the loan.

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. During the year ended July 31, 2020, the Company earned interest income of $1,908 on the loan.

During the year ended July 31, 2020, the Company recorded a fair value gain of $9,835 on ThinkCX investments.

9. INVESTMENTS (CONT'D)

SiteMax Systems Inc. ("SiteMax")

On January 19, 2019, the Company received 333,140 Series 1 seed preferred shares of 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. The Company also received warrants to purchase up to 166,570 Class 1 common shares of SiteMax at an exercise price of $0.83 per share.

On January 29, 2019, the Company entered into an agreement to purchase up to 476,189 Series 2 seed preferred shares and warrants to purchase up to 238,094 Class 1 common shares of SiteMax at an exercise price of $1.26 per share, for $600,000. The Company paid $425,000 initially and was committed to advance an additional amount of $175,000 upon SiteMax achieving $80,000 in monthly recurring revenue. During the year ended July 31, 2020, the Company advanced an additional amount of $175,000 to SiteMax.

During the year ended July 31, 2020, the Company exercised 150,601 SiteMax warrants at an exercise price of $0.83 per share and 79,365 SiteMax warrants at an exercise price of $1.26 per share to purchase an aggregate of 229,966 common shares of SiteMax. As at July 31, 2020, the Company holds an aggregate of 229,966 Class 1 common shares, 809,329 preferred shares, 15,969 warrants an exercise price of $0.83 per share and 158,824 warrants at an exercise price of $1.26 per share.

During the year ended July 31, 2020, the Company recorded a fair value gain of $586,001 on SiteMax investments.

500 Startups Canada, L.P. ("500 Startups") and Sockeye Technologies Inc. ("Sockeye")

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 year ended July 31, 2020, the Company earned interest income of $22,060 on an unsecured convertible promissory note from Sockeye and received $5,532 in return of capital from 500 Startups.

During the year ended July 31, 2020, the Company recorded a fair value gain of $34,532 on 500 Startups investment and $180,825 on Sockeye investments.

Blue Mesa Health Inc. ("Blue Mesa")

On July 22, 2019, the Company entered into an agreement to loan USD $13,628 ($18,298) to 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. During the year ended July 31, 2020, the Company earned interest of $962 on the loan.

During the year ended July 31, 2020, the Company sold the outstanding loan balance and the 789 preferred shares of Blue Mesa for proceeds of $260,103 (US$213,463), of which $36,360 (USD $27,942) was received and $248,672 (USD $185,521) is included in accounts receivable at July 31, 2020. The Company incurred a gain of $17,591 on the sale. The Company is also entitled to amounts in escrow and contingent consideration which will not be recorded as proceeds until received.

(Expressed in Canadian Dollars)

9. INVESTMENTS (CONT'D)

Investment transactions for the year ended July 31, 2020 are as follows:

Opening Balance	Purchases	Disposals	Return of Capital	Change in Fair Value	Accrued Interest	Foreign Exchange Gain	Fair Value
$ 1,775,243	$ 419,999	$ (260,103)	$ (5,532)	$ 811,193	$ 27,938	$ (2,799)	$ 2,765,939

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

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

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2020	July 31, 2019
Payable to the shareholders of Votigo, Inc. (Note 4)	$ 465,965	$ -
Accounts payable	306,248	37,446
Accrued liabilities	339,689	280
Total accounts payable and accrued liabilities	$ 1,111,902	$ 37,726

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

(Expressed in Canadian Dollars)

11. LEASE PAYABLE

On January 1, 2020, the Company entered into an office lease agreement for a term of three years. In accordance with IFRS 16, the Company recorded a lease asset and a lease liability with a fair value of $99,045. Fair value was determined by discounting future lease payments at a discount rate of 5% per annum.

The Company's lease liability as at July 31, 2020:

		July 31, 2020
Balance, opening	$	-
Additions, net (Note 7)		99,045
Payments, made		(18,789)
Interest recorded		2,684
Effect of foreign exchange		156
Balance, ending	$	83,096

		July 31, 2020
Current portion	$	29,761
Long term portion		53,335
	$	83,096

12. TERM LOANS PAYABLE

On April 16, 2020 ("disbursement date"), the Company received a loan for gross proceeds of $112,057 (USD $83,600) under the U.S. Small Business Administration's Paycheck Protection Program ("PPP"). The loan is required to be repaid in full no later than two years from the disbursement date. The loan accrues interest at an annual rate of 1% per annum, with payments of principal and interest commencing ten months from the disbursement date. The loan may be forgiven, in whole or in part, at Lender's discretion. The loan is to be repaid in equal installments beginning ten months after the date of disbursement.

The Company used the full amount of the proceeds for payroll and eligible costs. The Company has met the criteria and fulfilled the terms of the loan forgiveness. During the year ended July 31, 2020, the Company recognized the full proceed into income and the balance of the loan at July 31, 2020 is $Nil.

(Expressed in Canadian Dollars)

12. TERM LOANS PAYABLE (CONT'D)

On June 30, 2020 ("disbursement date"), the Company received a loan for gross proceeds of $200,926 (USD $149,900) from the U.S. Small Business Administration under the Economic Injury Disaster Loan ("EIDL") program. The loan bears annual interest at a rate of 3.75% per annum. Monthly repayments of $995 (USD $735) will commence 12 months from the disbursement date and the loan matures 30 years from the disbursement date.

The benefit of the government loan received at below market rate of interest is treated as a government grant. The loan was recognized at fair value using the Company's incremental borrowing rate of 20% per annum. The difference between the initial carrying amount and proceeds received of $151,866 is the value of the grant. As at July 30, 2020, $25,576 of government grant had been recognized as income in the consolidated statements of loss and comprehensive loss, representing the related expenses incurred for which the grant was intended to compensate. During the year ended July 31, 2020, the Company recorded interest of $830 on the loan (2019 - $Nil). The balance of the loan at July 31, 2020 is $49,882.

The balance outstanding as at July 31, 2020 are as follows:

		EIDL
Current portion	$	985
Long term portion		48,897
	$	49,882

13. RELATED PARTY LOANS

On August 30, 2018, the Company received a loan in the amount of $379,828 (USD $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, 2020, the Company recorded $76,965 (year ended July 31, 2019 - $64,934) in interest and accretion on the loan (Note 16). The balance of the loan at July 31, 2020 is $483,320.

On November 8, 2018, the Company received a loan in the amount of $64,777 (USD $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, 2020, the Company recorded $6,750 (year ended July 31, 2019 – $4,834) in interest on the loan (Note 16). The balance of the loan at July 31, 2020 is $78,625.

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 year ended July 31, 2020, the Company recorded $128,079 (year ended July 31, 2019 - $60,307) in interest and accretion on the loan (Note 16). The balance of the loan at July 31, 2020 is $780,239.

(Expressed in Canadian Dollars)

13. RELATED PARTY LOANS (CONT'D)

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 year ended July 31, 2020, the Company recorded interest of $39,041 (year ended July 31, 2019 - $Nil) on the loan (Note 16). The balance of the loan at July 31, 2020 is $1,039,041.

On April 6, 2020, the Company received a loan in the amount of $200,000 from a company controlled by a director of a related company. The loan is secured by a promissory note, bears interest at 10% and is due on demand. During the year ended July 31, 2020, the Company recorded interest of $6,411 (year ended July 31, 2019 - $Nil) on the loan (Note 16). The balance of the loan at July 31, 2020 is $206,411.

The loans are made up as follows:

	Liability component	Equity component
Balance, July 31, 2018	$ -	$ -
Increases	978,622	165,983
Accrued interest and accretion (Note 16)	130,075	-
Foreign exchange loss	12,944	-
Balance, July 31, 2019	1,121,641	165,983
Increases	1,200,000	-
Accrued interest and accretion (Note 16)	257,246	-
Foreign exchange loss	8,749	-
Balance, July 31, 2020	$ 2,587,636	$ 165,983

	July 31, 2020	July 31, 2019
Short-term loans	$ 2,587,636	$ 70,531
Long-term loans	-	1,051,110
	$ 2,587,636	$ 1,121,641

14. DUE TO FORMER PARENT COMPANY

Amounts due to Mobio are unsecured, non-interest bearing and have no specified terms of repayment (Note 24).

(Expressed in Canadian Dollars)

15. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value.

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

No common shares were issued during the year ended July 31, 2020.

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.

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.

During the year ended July 31, 2020, the Company issued 300,000 stock options in connection with its investment in Votigo. The options are exercisable at a price of $0.10 per share for a period of 10 years. The fair value of the options is $29,928 using the Black-Scholes option pricing model with the following assumptions: volatility of 190.67%, expected life of 10 years, risk-free interest rate of 1.47% and expected dividends of Nil. Share-based payments of $12,632 (year ended July 31, 2019 - $Nil) were recorded for the vesting of the options for the year ended July 31, 2020.

Stock option transactions for the year ended July 31, 2020 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2019 and 2018	-	$ -
Issued	300,000	0.10
Balance, July 31, 2020	300,000	$ 0.10

Stock options outstanding at July 31, 2020 are as follows:

Outstanding (#)	Exercisable (#)	Exercise Price ($)	Expiry Date
300,000	-	0.10	November 12, 2029

(Expressed in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS

During the year ended July 31, 2020, the Company received two loans from a company controlled by an officer of a related company. The first loan of $1,000,000 is secured by a promissory note, due on demand and bears interest at 5% per annum. The second loan of $200,000 is secured by a promissory note, due on demand and bears interest at 10% per annum. (Note 13).

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

Year ended July 31,		**2020**		**2019**
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	$	257,246	$	130,075

Payments to key management and directors during the years ended July 31, 2020 and 2019 were as follows:

Year ended July 31,		**2020**		**2019**
Fees accrued for a company controlled by the CEO	$	90,000	$	-
Fees paid to a company controlled by the CFO	$	35,633	$	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 accounts payable and accrued liabilities is an amount of $111,522 (July 31, 2019 - $21,114) owing to companies controlled by directors and officers of the Company. Amounts payable to related parties are unsecured, non-interest bearing and have no specified terms of repayment.

17. DEFERRED REVENUE

As at July 31, 2020, the Company has $203,507 deferred revenue (2019 - $Nil).

Balance, July 31, 2019	$	-
Acquisition of Votigo (Note 4)		81,132
Additions		1,273,989
Revenue recognized		(1,163,497)
Effect of foreign exchange		11,883
Balance, July 31, 2020	$	203,507

(Expressed in Canadian Dollars)

18. NON-CONTROLLING INTEREST

On November 12, 2019, the Company invested in Votigo's Series A Shares and Series B Shares. The Company is the only holder of Series B Shares. The holders of Series B Shares have certain protective provisions whereby Votigo must obtain the consent from a majority of the holders of Series B Shares prior to entering into certain transactions and through a voting agreement the Company has the ability to appoint the majority of the directors of Votigo. As the Company is the sole owner of Series B shares, in accordance with IFRS 10, the Company has control over Votigo. (Note 4)

As at July 31, 2020, the Company holds a 29.11% (2019 – Nil) interest in Votigo based on the total number of shares issued and outstanding, resulting in 70.89% ownership interest held by non-controlling shareholders.

Reconciliation of non-controlling interest as follows:

		July 31, 2020
Balance, opening	$	-
Acquisition of subsidiary (Note 4)		1,404,895
Share of net loss		(159,469)
Balance, ending	$	1,245,426

The following is a summarized consolidated statement financial position of Votigo at July 31, 2020:

		July 31, 2020
Current:		
Assets	$	1,173,951
Liabilities		(839,696)
Total current net assets		334,255
Non current:		
Assets		1,840,825
Liabilities		(366,005)
Total non-current net assets		1,474,820
Total net assets	$	1,809,075

The following is a summarized consolidated statement of comprehensive loss of Votigo for the year ending July 31, 2020:

		July 31, 2020
Revenue	$	1,137,969
Net loss and comprehensive loss	$	(224,951)

19. COMMITMENT

During the year ended July 31, 2020, the Company invested in Votigo. Under the share purchase agreement, the Company purchased 333,334 Series B Shares in the capital of Votigo (Note 4). Planks is the sole owner of Series B Shares, and will be purchasing an additional 777,777 Series B Shares at USD $0.90 per Series B Shares or an aggregate price of USD $699,999, no later than one year anniversary from the date of initial investment.

As at July 31, 2020, the Company has not acquired the additional 777,777 Series B Shares. (Note 24).

20. CAPITAL MANAGEMENT

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

21. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, investments, accounts receivable, accounts payable and loans payable. As at July 31, 2020, 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.

Loans payable and lease payable are measured at amortized cost using the effective interest rate method and transaction costs associated with the loans are amortized through net loss over the life of the loans.

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 July 31, 2020, the Company classified cash as Level 1 and investments as Level 3. The fair value of investments is determined using various valuation techniques which include comparable company metrics, Black-Scholes Option Pricing Models and discounted cash flow analysis. The Company also has an option to a further 834,349 Series A Shares at US$ 1,667 per share for a two year period. The option, which had a fair value at the acquisition date of $82,650, was valued using a Black Scholes Option Pricing Model.

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

(Expressed in Canadian Dollars)

21. FINANCIAL INSTRUMENTS (CONT'D)

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 Company's receivable consists of trade receivables, receivable from a third party from a sale of investment and government sales tax receivable. Based on the evaluation of receivables at July 31, 2020, the Company believes that its receivables are collectable, however, due to the current Covid-19 pandemic, there is an increase in the uncertainty of collectability and management has determined credit risk is high.

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

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as it has sales and contracts denominated in currencies other than the functional currency of the Company and its subsidiaries.

Since the Company's reporting currency is Canadian dollars and the Company has significant US operations with US dollars as functional currency. The Company is exposed to foreign currency fluctuations on its reported amounts of US assets and liabilities.

As at July 31, 2020, the Company had the following US dollar denominated assets and liabilities:

		July 31, 2020		**July 31, 2019**
		US Dollars		US Dollars
Cash	$	562,368	$	-
Accounts receivable		842,363		295,484
Accounts payable and accrued liabilities		(478,844)		-
Related party loans		(561,945)		(460,180)
Deferred revenue		(203,507)		-
Lease payable		(83,096)		-
Term loans payable		(49,882)		-
Deferred government grant		(126,538)		-
Total	$	(99,080)	$	(164,696)

As at July 31, 2020, a 10% change in exchange rates between US dollars and Canadian dollar would impact the Company's net income (loss) by $9,908 (2019 – $16,470).

(Expressed in Canadian Dollars)

22. INCOME TAXES

A reconciliation of the calculated income taxes for the fiscal years ended July 31, 2020 and 2019 are as follows:

		July 31, 2020		July 31, 2019
Combined federal and provincial statutory income tax rate		27.00%		27.00%
Accounting loss before income taxes	$	(24,125)	$	(73,988)
Expected income tax recovery at statutory rates		(6,514)		(19,977)
Non-deductible expenditures		59,048		33,232
Other		(105,476)		12,245
Change in valuation		(22,042)		(25,500)
Income tax recovery	$	(74,984)	$	-

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

		July 31, 2020		July 31, 2019
Non-capital losses	$	6,344,198	$	5,495,398
Goodwill		421,639		453,376
Investments		(811,104)		35,061
Other deductible temporary differences		223,559		(5,501)
		6,178,292		5,978,334
Tax benefits not recognized		(6,178,292)		(5,978,334)
Deferred tax liability related to intangible assets		(263,773)		-
Balance	$	(263,773)	$	-

As at July 31, 2020, the Company has $6,344,198 tax loss carry-forward that it can apply against income in future years.

(Expressed in Canadian Dollars)

23. SEGMENT INFORMATION

The Company operates in two geographical areas and two operating segments, being investing activities (Canada) and online promotions (United States of America). During the year ended July 31, 2019, the Company had one operating segment, being investing activities. Revenue and assets by geography are presented below:

As at and for the year ended July 30, 2020:

		Canada		USA		Total
Revenue	$	1,581	$	1,137,969	$	1,139,550
Depreciation	$	6,380	$	151,272	$	157,652
Interest expense	$	257,246	$	3,514	$	260,760
Fair value gain on investments	$	811,193	$	-	$	811,193
Income taxes	$	-	$	74,984	$	74,984
Current Assets	$	329,833	$	1,173,951	$	1,503,784
Non current assets	$	3,433,971	$	1,840,825	$	5,274,796
Non-controlling interest	$	-	$	1,245,426	$	1,245,426

As at and for the year ended July 30, 2019:

		Canada		USA		Total
Revenue	$	5,899	$	-	$	5,899
Depreciation	$	3,878	$	-	$	157,652
Interest expense	$	130,075	$	-	$	260,760
Fair value loss on investments	$	32,188	$	-	$	811,193
Current Assets	$	291,575	$	-	$	291,575
Non current assets	$	1,781,762	$	-	$	1,781,762

24. SUBSEQUENT EVENTS

Subsequent to July 31, 2020:

- On August 20, 2020, Mobio forgave a total of $6,543,410 in debt owed by the Company to Mobio.
- On September 16, 2020, the Company received USD $400,000 loan from Lanebury Growth Capital Ltd. (“Lanebury”) The loan bears interest of 10% per annum and is repayable in one year.
- On October 16, 2020, the Company received USD $700,000 loan from Lanebury. The loan bears interest of 10% per annum and is repayable in one year.
- On October 30, 2020, the Company paid the remaining balance of USD $347,632 for the purchase of Series A Convertible Preferred Shares (Notes 4 and 18).
- On October 30, 2020, the Company purchased additional 777,777 Series B Share of Votigo for USD $699,999 (US$0.90 per Series B Shares) in accordance with its commitment (Note 4).
- In connection with the receipt of funds from the sale of the 777,777 Series B Shares, Votigo has acquired Laughton Marketing Communications, Inc. dba US Sweepstakes and Fulfillment Company, a Rochester, NY based sweepstakes and fulfillment company for USD $750,000 payable as follows: USD $250,000 at closing, a further USD $250,000 not later than 12 months after the closing date, and the final USD $250,000 not later than 24 months after the closing date.