Plank Ventures Ltd.

Condensed Consolidated Interim Financial Statements
(Unaudited)

(EXPRESSED IN CANADIAN DOLLARS)

For the Three and Six Months Ended January 31, 2022 and 2021

Index

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 six-month periods ended January 31, 2022 and 2021.

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		January 31, 2022		July 31, 2021
ASSETS					
Current Assets					
Cash		$	3,481,695	$	4,118,800
Accounts and other receivables	4		1,193,491		962,164
Loan receivable	7		-		113,851
Prepaid expenses			66,472		102,329
			4,741,658		5,297,144
Non-Current Assets					
Equipment	5		2,105		2,362
Right-of-use asset	6		17,130		25,930
Intangible assets	8		2,243,086		2,313,583
Investments	9		4,236,569		3,481,743
TOTAL ASSETS		$	11,240,548	$	11,120,762
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	10,15	$	1,979,562	$	1,862,012
Current portion of lease liability	11		15,599		16,276
Current portion of term loans payable	12,13		3,049,175		11,899
Deferred government grant	12		-		29,658
Deferred revenue	16		802,132		621,651
			5,846,468		2,541,496
Non-Current Liabilities					
Lease liability	11		-		7,025
Term loans payable	12,13		60,325		2,785,454
Long-term note payable	17		-		261,761
Deferred tax liability			469,910		466,659
TOTAL LIABILITIES			6,376,703		6,062,395
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	14		3,951,162		3,951,162
Contributed surplus	14		6,543,083		6,543,083
Share based payment reserves	14		26,256		23,532
Equity portion of debt	13		635,797		635,797
Accumulated other comprehensive loss			(104,030)		(116,407)
Deficit			(7,677,733)		(7,326,452)
Equity attributable to shareholders of the Company			3,374,535		3,710,715
Non-controlling interest	18		1,489,310		1,347,652
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)			4,863,845		5,058,367
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	11,240,548	$	11,120,762
Nature of operations and going concern uncertainty	1				
Subsequent events	22				

Approved on behalf of the board

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

"Laurie Baggio" — Laurie Baggio, Director

See accompanying notes to the condensed consolidated interim financial statements.

PLANK VENTURES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended January 31, 2022	Three months ended January 31, 2021	Six months ended January 31, 2022	Six months ended January 31, 2021
REVENUE					
Sales revenue	21	$ 1,064,939	$ 702,365	$ 1,997,718	$ 1,083,328
COST OF REVENUE					
Hosting charges and other		112,810	228,572	245,816	288,560
Gross Profit		**952,129**	**473,793**	**1,751,902**	**794,768**
EXPENSES					
Amortization	5,6,8	64,886	53,116	127,402	121,979
Management and consulting fees	15	79,433	71,545	149,933	126,204
Personnel		616,612	571,910	1,092,442	904,180
Professional fees	15	78,750	100,249	146,792	146,898
Office and administration		168,966	155,569	317,748	193,776
Regulatory and filing fees		-	22	-	22
Share-based payments	14	1,241	2,694	2,724	7,130
Foreign exchange		44,914	(74,063)	32,770	(53,142)
		1,054,802	881,042	1,869,811	1,447,047
Interest expense	11,12,13,17	150,031	124,625	301,847	212,599
Interest income		(3,121)	(4,108)	(11,394)	(8,387)
Debt cancellation and forgiveness		-	-	-	(6,543,410)
Gain on government grant	12	(7,594)	(34,025)	(27,314)	(46,493)
Fair value loss (gain) on investments	9	(209,666)	180,825	(154,826)	180,825
Fair value loss on purchase option	8	-	21,631	1,495	45,524
Gain on fair value of digital currencies		-	(20,705)	-	(20,197)
		(70,350)	268,243	109,808	(6,179,539)
Net income (loss) for the period		**$ (32,323)**	**$ (675,492)**	**$ (227,717)**	**$ 5,527,260**
Net income (loss) attributable to:					
Shareholders of the parent company		$ (89,899)	$ (455,877)	$ (351,281)	$ 5,822,768
Non-controlling interest	18	57,576	(219,615)	123,564	(295,508)
		$ (32,323)	**$ (675,492)**	**$ (227,717)**	**$ 5,527,260**
Other comprehensive income (loss):					
Foreign currency translation gain (loss) attributed to equity shareholders of the parent company		$ 44,390	$ (2,144)	$ 12,377	$ 18,106
Foreign currency translation gain attributed to NCI	18	$ 64,893	$ -	18,094	-
Comprehensive income (loss) for the period		**$ 76,960**	**$ (677,636)**	**$ (197,246)**	**$ 5,545,366**
Income (loss) per share					
Basic		**$ 0.00**	**$ (0.09)**	**$ (0.01)**	**$ 0.79**
Diluted		**$ 0.00**	**$ (0.09)**	**$ (0.01)**	**$ 0.79**
Weighted average number of common shares outstanding					
Basic		**17,740,019**	**7,633,238**	**17,740,019**	**7,002,588**
Diluted		**17,740,019**	**7,633,238**	**17,740,019**	**7,002,588**

See accompanying notes to the condensed consolidated interim financial statements.

PLANK VENTURES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited - Expressed in Canadian dollars)

		Share capital								
	Note	Number of shares	Amount	Contributed surplus	Share based payment reserves	Equity portion of debt	Accumulated other comprehensive income	Deficit	Non-controlling interest	Total
Balance at July 31, 2020		**6,357,924**	**536,521**	**-**	**12,632**	**165,983**	**(30,402)**	**(6,121,324)**	**1,245,426**	**(4,191,164)**
Share-based payments	14	-	-	-	7,130	-	-	-	-	7,130
Debt settlement for shares	14	3,784,761	1,135,441	-	-	-	-	-	-	1,135,441
Investment in subsidiary	3	-	-	-	-	-	-	189,938	(189,938)	-
Foreign currency translation		-	-	-	-	-	18,106	-	-	18,106
Income (loss) for the year	18	-	-	-	-	-	-	5,822,768	(295,508)	5,527,260
Balance at January 31, 2021		**10,142,685**	**1,671,962**	**-**	**19,762**	**165,983**	**(12,296)**	**(108,618)**	**759,980**	**2,496,773**
Share-based payments	14	-	-	-	3,770	-	-	-	-	3,770
Proceeds from issuance of common shares	14	7,597,334	2,279,200	-	-	-	-	-	-	2,279,200
Forgiveness of debt from Mobio Technologies Inc.	14	-	-	6,543,083	-	-	-	-	-	6,543,083
Equity portion of debt	14	-	-	-	-	469,814	-	-	-	469,814
Investment in subsidiary	3,18	-	-	-	-	-	-	(564,015)	564,015	-
Foreign currency translation		-	-	-	-	-	(104,111)	-	(125,725)	(229,836)
Income (loss) for the year	18	-	-	-	-	-	-	(6,653,819)	149,382	(6,504,437)
Balance at July 31, 2021		**17,740,019**	**3,951,162**	**6,543,083**	**23,532**	**635,797**	**(116,407)**	**(7,326,452)**	**1,347,652**	**5,058,367**
Share-based payments	14	-	-	-	2,724	-	-	-	-	2,724
Foreign currency translation		-	-	-	-	-	12,377	-	18,094	30,471
Income (loss) for the period	18	-	-	-	-	-	-	(351,281)	123,564	(227,717)
Balance at January 31, 2022		**17,740,019**	**$ 3,951,162**	**$ 6,543,083**	**$ 26,256**	**$ 635,797**	**$ (104,030)**	**$ (7,677,733)**	**$ 1,489,310**	**$ 4,863,845**

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 January 31, 2022	2021
OPERATING ACTIVITIES		
Net income (loss) for the period	$ (227,717)	$ 5,527,260
Items not affecting cash		
Amortization	127,402	121,979
Interest expense	301,847	214,270
Unrealized foreign exchange loss (gain)	45,244	(82,346)
Share-based payments	2,724	7,130
Loan forgiveness from former parent	-	(6,543,410)
Gain on fair value of digital currencies	-	(20,197)
Fair value loss on settlement of receivable	-	180,825
Fair value loss on purchase option	1,495	45,524
Gain on government grant	(27,314)	(46,493)
Fair value gain on investments	(154,826)	-
Accrued interest income	(654)	(4,342)
Net changes in non-cash working capital		
Accounts receivable	(211,748)	(387,162)
Prepaid expenses	37,721	(29,401)
Deferred revenue	167,661	88,191
Accounts payable and accrued liabilities	106,912	(326,081)
Net cash used in operating activities	168,747	(1,254,253)
INVESTING ACTIVITIES		
Acquisition of subsidiary	-	(333,725)
Acquisition of PP&E	(2,113)	-
Cash assumed from acquisition of subsidiary	-	825,272
Cash investments made	(600,000)	(200,000)
Loan receivable made	-	(100,000)
Loan repayments	(309,600)	-
Proceeds from loans receivable	114,505	522,349
Lease payments	(8,644)	(13,580)
Net cash provided by (used in) investing activities	(805,852)	700,316
FINANCING ACTIVITIES		
Proceeds from loans	-	1,447,170
Net cash provided by financing activities	-	1,447,170
NET CHANGE IN CASH	(637,105)	893,233
CASH, BEGINNING OF THE YEAR	4,118,800	611,961
CASH, END OF THE YEAR	$ 3,481,695	$ 1,505,194

See accompanying notes to the condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Plank Ventures Ltd. ("Plank" or the "Company") was incorporated on May 1, 2013, under the Business Corporations Act. The Company's registered and records office is located at 1080 – 789 West Pender Street, Vancouver, BC, V6C 1H2. Plank is a public company whose shares are listed on the Canadian Securities Exchange ("CSE") under the symbol "PLNK". 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 January 31, 2022, the Company has an accumulated deficit of $7,677,733.

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. As of January 31, 2022, the Company had a cash balance of $3,481,695 to settle current liabilities of $5,846,468. As of January 31, 2022, the Company had a working capital deficit of $1,104,810. Management is of the opinion that the Company has access to available financial capital resources to either raise additional capital or renegotiate maturity of its liabilities to sustain its operations for the foreseeable future and that the going concern assumption is appropriate.

There can be no assurance that the Company will be successful in achieving profitability or maintaining a necessary cash balance to finance operations. These conditions indicate existence of material uncertainties that may cast significant doubt on 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, and such adjustments may be material.

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 unaudited condensed consolidated interim financial statements were authorized for issue on March 18, 2022 by the Board of Directors of the Company.

Statement of Compliance
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 consolidated financial statements and should be read in conjunction with the annual consolidated audited financial statements of the Company for the years ended July 31, 2021, and 2020.

Functional and Presentation Currency
The condensed consolidated interim financial statements are presented in Canadian dollars, which

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (CONT'D)

is the functional currency of Plank Ventures Ltd.

Basis of Measurement

These condensed consolidated interim 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 condensed consolidated interim financial statements have been prepared using the accrual basis of accounting.

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. 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 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 condensed consolidated interim financial statements for the period ended January 31, 2022. 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 the 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 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.

Principles of Consolidation

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

		Percentage owned*	
	Country of incorporation	January 31, 2022	July 31, 2021
Exahash Cryptomining Corp. ("Exahash")	Canada	100%	100%
Votigo, Inc. ("Votigo")	USA	40.62%	40.62%

* Percentage of voting power is in proportion to ownership

2. BASIS OF PRESENTATION (CONT'D)

Votigo is a controlled subsidiary of the Company. The Company acquired an interest in Votigo and entered into a voting agreement giving the Company the ability to elect the majority of the board. Laughton Marketing Communications, Inc. dba US Sweepstakes and Fulfillment Company ("US Sweeps"), a Rochester, NY based sweepstakes and fulfilment company is a wholly owned subsidiary of Votigo. Votigo acquired US Sweeps on October 29, 2020 (Note 3).

3. ACQUISITION

(a) Votigo

On November 12, 2019, the Company acquired 29.11% ownership interest in Votigo via the purchase of 834,349 Series A and 333,334 Series B Convertible Preferred Shares. The Company also had an option to acquire a further 834,349 Series A Shares for a two-year period. The option expired unexercised.

On October 29, 2020, the Company purchased an additional 777,777 Series B Shares at US$0.90 per Series B Share, or US$699,999 in the aggregate. 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.

As at the date of this report, the Company owns 40.62% 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.

The subsequent investment of $699,999 in 777,777 Series B Shares during the period ending October 31, 2020 (noted above) was recorded as a "Change in Ownership Interest" in accordance with IFRS 10 and the carrying amounts of the controlling and non-controlling interests were adjusted by $374,077 to reflect the changes in their relative interests in the subsidiary (Note 18).

At July 31, 2021, the Company determined that goodwill in Votigo was impaired and recorded an impairment of $432,663 in the consolidated statements of income (loss) and comprehensive income (loss) (Note 8).

(b) US Sweeps

On October 29, 2020, Votigo acquired 100% of US Sweeps for US$750,000 which was payable as follows: US$250,000 (C$333,725) at closing, a further US$250,000 not later than 12 months after the closing date, and the final US$250,000 not later than 24 months after the closing date. The fair value of the loans payable were US$217,558 (CDN $290,196) and US$189,182 (CDN $252,344), calculated by discounting the future cash payments at a market rate of interest of 15%. On October 28, 2021, Votigo paid the first instalment of US$250,000 to the previous shareholders of US Sweeps in cash, leaving one final US$250,000 payment owing.

(Unaudited - Expressed in Canadian Dollars)

3. ACQUISITION (CONT'D)

The purchase price of US Sweeps is allocated as follows:

Fair value of consideration:		
Cash	$	333,725
Short-term payable to shareholders of US Sweeps (Note 17)		290,196
Long-term payable to shareholders of US Sweeps (Note 17)		252,344
		876,265
Net assets acquired:		
Cash		825,272
Accounts receivables		377,423
Prepaid expenses		1,335
Equipment		7,802
Intangible assets (Note 8)		614,054
Goodwill (Note 8)		189,463
Accounts payable and accrued liabilities		(794,011)
Deferred revenue		(176,208)
Deferred tax liability		(168,865)
	$	876,265

The acquisitions of US Sweeps by 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 which amounted to $189,463 as reflected in Note 8.

4. ACCOUNTS RECEIVABLE

		January 31, 2022		July 31, 2021
Trade and other receivables	$	1,183,399	$	949,351
GST recoverable		10,092		12,813
	$	**1,193,491**	**$**	**962,164**

(Unaudited - Expressed in Canadian Dollars)

5. EQUIPMENT

	Computer & Office Equipment	Leasehold Improvements
Cost		
Balance July 31, 2020	$ 723	$ -
Acquisition of subsidiary	4,548	3,253
Effect of foreign exchange	(4,585)	(961)
Balance July 31, 2021	687	2,292
Addition	2,113	-
Effect of foreign exchange	-	-
Balance January 31, 2022	$ 2,800	$ 2,292
Amortization		
Balance July 31, 2020	584	$ -
Addition	4,479	690
Effect of foreign exchange	(4,377)	(760)
Balance July 31, 2021	687	(70)
Addition	8	2,383
Effect of foreign exchange	-	(21)
Balance January 31, 2022	$ 695	$ 2,292
Net book value		
Balance July 31, 2021	$ -	$ 2,362
Balance January 31, 2022	**$ 2,105**	**$ -**

6. 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 January 31, 2022:

Balance, July 31, 2020	79,786
Reduction of lease value due to COVID-related discounts	(37,174)
Amortization	(11,320)
Effect of foreign exchange	(5,362)
Balance, July 31, 2021	25,930
Amortization	(9,259)
Effect of foreign exchange	459
Balance, January 31, 2022	**$ 17,130**

(Unaudited - Expressed in Canadian Dollars)

7. LOAN RECEIVABLE

On January 27, 2021, the Company loaned $100,000 to SiteMax Systems Inc. (Note 9). The loan bears interest at a monthly rate of 2% and is repayable in six equal monthly instalments commencing six months from the date of the loan. The loan was repaid in full on August 11, 2021.

The Company's loan receivable as at January 31, 2022 and July 31, 2021 was as follows:

Balance, July 31, 2020	$	-
Loan advanced		100,000
Accrued interest		13,851
Balance, July 31, 2021		113,851
Accrued interest		654
Proceeds from loan receivable		(114,505)
Balance, January 31, 2022	**$**	**-**

8. INTANGIBLE ASSETS

Intangible assets acquired during the year ended July 31, 2021 are related to the acquisition of US Sweeps and consist mainly of brand names and customer relationships. Amortization is calculated on a straight-line method over their estimated useful lives of 10 years (Note 3).

A summary of the Company's intangible assets are as follows:

	Brand name, online platform and customer relationships	Goodwill	Purchase option	Total
Balance July 31, 2020	1,697,021	667,893	64,018	2,428,932
Acquired on acquisition of subsidiary (Note 3)	614,054	189,463	-	803,517
Fair value loss	-	-	(59,322)	(59,322)
Amortization	(219,094)	-	-	(219,094)
Goodwill impairment (Note 3)	-	(432,663)	-	(432,663)
Effect of foreign exchange	(140,925)	(63,649)	(3,213)	(207,787)
Balance July 31, 2021	1,951,056	361,044	1,483	2,313,583
Fair value loss	-	-	(1,495)	(1,495)
Amortization	(115,752)	-	-	(115,752)
Effect of foreign exchange	39,292	7,446	12	46,750
Balance January 31, 2022	**$ 1,874,596**	**$ 368,490**	**$ -**	**$ 2,243,086**

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. The warrants have since expired unexercised.

9. INVESTMENTS (CONT'D)

<u>SiteMax Systems Inc. ("SiteMax")</u>

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.

On January 21, 2021, the Company loaned $100,000 to Site Max. The loan bears interest at a monthly rate of 2% and is repayable in six equal monthly instalments commencing six months from the date of the loan. During the period ended January 31, 2022, the Company earned interest of $654 (January 31, 2021 - $1,098) on the loan (Note 7). The loan was repaid in full on August 11, 2021.

During the year ended July 31, 2021, the Company exercised 325,299 warrants at an exercise price of $1.26 per share to purchase an additional 325,299 common shares of SiteMax.

During the year ended July 31, 2021, the Company recorded a fair value gain of $188,123 (July 31, 2020 - $586,001) on SiteMax investments.

As at January 31, 2022, the Company holds an aggregate of 555,265 (January 31, 2021 – 555,265) Class 1 common shares and 809,329 (January 31, 2021 – 809,329) preferred shares.

<u>500 Startups Canada, L.P. ("500 Startups") and Sockeye Technologies Inc. ("Sockeye")</u>

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 and Sockeye.

The Company's investment in Sockeye consisted of an unsecured convertible promissory note. During the year ended July 31, 2021, the Company earned interest income of $359 on the note (July 31, 2020 - $22,060), recognized a loss on change in fair value of $180,825 (July 31, 2020 – gain of $180,825), and received $276,534 as repayment in full for the note.

During the year ended July 31, 2021, the Company received a cash dividend of $7,609 from its investment in 500 Startups and recorded a gain on change in fair value of $158,500 (July 31, 2020 - $34,532).

<u>Investment in Shop and Shout Ltd (DBA "Creator")</u>

On March 5, 2021, the Company subscribed for 117,647 common shares of Shop and Shout Ltd., a Vancouver-based technology company doing business as Creator.co ("Creator"), by way of participating in a non-brokered private placement financing at a price of $0.85 per common share for the total consideration of $100,000.

9. INVESTMENTS (CONT'D)

On September 10, 2021, the Company subscribed to an additional 200,000 common shares of Creator by participating in a non-brokered private placement financing at a price of $1.00 per common share for total consideration of $200,000.

As of January 31, 2022, the Company owns 3.13% of the issued and outstanding common shares of Creator.

Investment in Karve IT Ltd. ("Karve")

On April 30, 2021, the Company subscribed to 310,000 common shares of Karve IT Ltd. at the price of $1 per common share, for an aggregate subscription price of $310,000 to be paid as follows:

- $30,000 in cash paid on April 30, 2021.
- The Company agreed to make fourteen monthly payments of $20,000 each commencing June 1, 2021, and ending July 1, 2022 (paid $190,000 to January 31, 2022).

Karve will issue common shares to the Company upon receipt of each payment. The Company may prepay all or any portion of the subscription price at any time, and from time to time.

As at January 31, 2022, the Company owns 190,000 shares of Karve, representing 27.07% of the Company.

Investment in Leaf Mobile Inc. ("Leaf")

On February 5, 2021, the Company received a cash dividend of $19,202, cash proceeds of $62,249, and 153,378 post-consolidation common shares of Leaf, a publicly traded company on the Toronto Stock Exchange, in consideration of its previously impaired investment in Eastside Games Inc. The shares were recorded at fair value of $345,101 based on the market price at the time. As a result, the Company recognized $407,349 as a recovery during the year ended July 31, 2021.

As at January 31, 2022, the Company held 153,378 shares of Leaf, of which 3,510 are unrestricted. The fair value of the unrestricted shares is determined by taking the number of unrestricted shares and multiplying by price per share prevailing on the market at the date closest to date of the financial statements. The fair value of the restricted shares is based on the number of restricted shares multiplied by the price per share prevailing on the market at the date closest to date of the financial statements with a discount applied for lack of marketability ("DLOM"). The DLOM reflects the impact of the restriction period on the fair value of the shares due to the time value of money, the risk of trading price fluctuation, and the opportunity cost of not being permitted to liquidate the restricted shares and use the proceeds in an alternative investment.

During the year ended July 31, 2021, the Company recognized fair value gain of $115,033 (July 31, 2020 - $Nil) due to change in share price of Leaf and recognized fair value loss of $173,891 (July 31, 2020 - $Nil) due to DLOM discount.

During the period ended January 31, 2022, the Company recognized a fair value gain of $165,644 (January 31, 2021 - $Nil) due to the increase in share price of Leaf and recognized a fair value loss of $22,075 (January 31, 2021 - $Nil) due to the increase in DLOM discount.

Investment in CodeZero Technologies Inc. ("CodeZero")

On September 15, 2021, the Company invested $300,000 in a convertible promissory note issued by CodeZero, a Vancouver-based technology company. The note is due on November 15, 2022 and carries a 6% annual interest rate. The note is eligible to be converted into equity of CodeZero at a 20% discount to the next round of financing by CodeZero.

(Unaudited - Expressed in Canadian Dollars)

9. INVESTMENTS (CONT'D)

The fair value of the convertible note is determined by adding the fair values of the loan component and conversion feature. The value of the loan component is calculated at $278,086 using the appropriate market discount rate of 20%. The value of the equity component is calculated at $33,171 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 29.54%, expected life of 0.79 years, risk-free interest rate of 0.97% and expected dividends of Nil.

During the period ended January 31, 2022, the Company recognized a fair value gain of $11,257 (January 31, 2021 - $Nil) on the note.

Investment transactions for the six months ended January 31, 2022 are as follows:

Opening Balance	Purchases	Disposals	Recovery	Change in Fair Value	Accrued Interest	Fair Value
$ 3,481,743	$ 600,000	$ -	$ -	$ 154,826	$ -	$ 4,236,569

Investment transactions for the year ended July 31, 2021 are as follows:

Opening Balance	Purchases	Disposals	Recovery	Change in Fair Value	Accrued Interest	Fair Value
$ 2,765,939	$ 599,877	$ (332,121)	$ 345,101	$ 97,106	$ 5,841	$ 3,481,743

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		January 31, 2022		July 31, 2021
Payable to the shareholders of US Sweeps. (Note 17)	$	286,677	$	300,868
Accounts payable		117,012		268,219
Accrued liabilities		1,575,873		1,292,925
Total accounts payable and accrued liabilities	**$**	**1,979,562**	**$**	**1,862,012**

(Unaudited - 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 January 31, 2022:

		January 31, 2022		**July 31, 2021**
Balance, opening	$	23,301	$	83,096
Reduction of lease value due to COVID-related discounts		-		(37,174)
Payments		(8,644)		(17,658)
Interest recorded		528		506
Effect of foreign exchange		414		(5,468)
Balance, ending	**$**	**15,599**	**$**	**23,301**

		January 31, 2022		**July 31, 2021**
Current portion	$	15,599	$	16,276
Long term portion		-		7,025
	$	**15,599**	**$**	**23,301**

12. GOVERNMENT GRANTS AND LOANS

On June 30, 2020 ("disbursement date"), the Company received a loan for gross proceeds of $200,926 (US$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 $963 (US$778) will commence 24 months from the disbursement date on June 30, 2022 and the loan matures 30 years on June 30, 2050.

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. During the period ended January 31, 2022, additional expenses were incurred for which the grant was intended to compensate; as a result, $27,314 was recognized as income (January 31, 2021 - $46,493).

During the period ended January 31, 2022, the Company recorded interest and accretion of $6,903 on the loan (January 31, 2021 - $3,737).

The balances of the EIDL loan outstanding are as follows:

		January 31, 2022		**July 31, 2021**
Beginning balance	$	56,393	$	49,882
Interest and accretion		6,903		10,239
Recalculation of present value of the loan		2,677		-
Effect of foreign exchange		1,275		(3,728)
EIDL Loan	**$**	**67,248**	**$**	**56,393**

(Unaudited - Expressed in Canadian Dollars)

12. GOVERNMENT GRANTS AND LOANS (CONT'D)

The breakdown between current and non-current portion of the loan are as follows:

		January 31, 2022		July 31, 2021
Current portion	$	6,923	$	11,899
Long term portion		60,325		44,494
	$	**67,248**	**$**	**56,393**

The balances of the deferred government grant are as follows:

		January 31, 2022		July 31, 2021
Beginning balance	$	29,658	$	126,538
Gain on government grant		(27,314)		(89,936)
Recalculation of present value of the loan		(2,677)		-
Effect of foreign exchange		333		(6,944)
Deferred Government Grant ending balance	**$**	**-**	**$**	**29,658**

13. RELATED PARTY 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. On March 12, 2021, the loan was extended to mature on December 31, 2022. Due to the extended term, the Company recognized an equity component of $69,451 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest. During the period ended January 31, 2022, the Company recorded $41,685 (January 31, 2021 - $39,548) in interest and accretion on the loan (Note 15). The balance of the loan at January 31, 2022 is $489,680.

On January 29, 2019, the Company received a loan in the amount of $700,000 from a company controlled by a significant shareholder. 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. On March 12, 2021, the loan was extended to mature on December 31, 2022. Due to the extended term, the Company recognized an equity component of $130,326 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest. During the period ended January 31, 2022, the Company recorded $75,666 (January 31, 2021 - $68,190) in interest and accretion on the loan (Note 15). The balance of the loan at January 31, 2022 is $861,749.

On April 6, 2020, the Company received a loan in the amount of $200,000 from a company controlled by a significant shareholder. The loan is secured by a promissory note, bears interest at 10% and is due on demand. On March 12, 2021, the loan was extended to mature on December 31, 2022. Due to the extended term, the Company recognized an equity component of $31,792 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest. During the period ended January 31, 2022, the Company recorded interest of $18,843 (January 31, 2021 - $10,082) on the loan (Note 15). The balance of the loan at January 31, 2022 is $220,175.

(Unaudited - Expressed in Canadian Dollars)

13. RELATED PARTY LOANS (CONT'D)

On September 18, 2020, the Company received a loan in the amount of $527,440 (US$400,000) from a company controlled by a significant shareholder. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest are due on September 16, 2021. On March 12, 2021, the loan was extended to mature on December 31, 2022. Due to the extended term, the Company recognized an equity component of $76,172 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest. During the period ended January 31, 2022, the Company recorded $45,719 in interest on the loan (January 31, 2021 - $19,165) (Note 15). The balance of the loan at January 31, 2022 is $537,066.

On October 15, 2020, the Company received a loan in the amount of $919,730 (US$700,000) from a company controlled by a significant shareholder. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest are due on December 31, 2022. The Company recognized an equity component of $162,073 against the balance of the loan. The equity value was determined by discounting the balance of the loan at an appropriate market rate of interest. During the period ended January 31, 2022, the Company recorded $82,326 in interest on the loan (January 31, 2021 - $26,787) (Note 15). The balance of the loan at January 31, 2022 is $933,582.

The loans are made up as follows:

	Liability component	Equity component
Balance, July 31, 2020	2,587,636	165,983
Increases	1,215,296	469,814
Decreases	(1,367,010)	-
Accrued interest and accretion	419,139	-
Effect of foreign exchange	(114,100)	-
Balance, July 31, 2021	2,740,960	635,797
Accrued interest and accretion (Note 15)	264,281	-
Effect of foreign exchange	37,011	-
Balance, January 31, 2022	**$ 3,042,252**	**$ 635,797**

	January 31, 2022	July 31, 2021
Short-term loans	3,042,252	-
Long-term loans	-	2,740,960
	$ 3,042,252	**$ 2,740,960**

14. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value.

Issued:
As at January 31, 2022, the Company had 17,740,019 common shares issued and outstanding (July 31, 2021 – 17,740,019).

Warrants
On April 5, 2021, the Company closed the first tranche of a private placement and issued 1,180,000 units for total consideration of $354,000 to companies with a common director and common officer.

(Unaudited - Expressed in Canadian Dollars)

14. SHARE CAPITAL (CONT'D)

On June 24, 2021, the Company completed the second and final tranche of the private placement for 6,417,334 units for gross proceeds of $1,925,200. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole warrant entitles its holder to purchase one common share in the capital of the Company at a price of $0.35 for a period of two years following the issuance date. On the date of each of the closing, the Company determined that the value of the warrants using the residual method to be nominal and allocated total proceeds to share capital.

As at January 31, 2022, the Company had 3,798,667 warrants issued and outstanding (July 31, 2021 – 3,798,667).

Balance at July 31, 2020	**-**
Issue of warrants on private placement	3,798,667
Balance at July 31, 2021 and January 31, 2022	**3,798,667**

Outstanding (#)	Exercisable (#)	Exercise Price ($)	Remaining Life (Years)	Expiry Date
590,000	590,000	0.35	1.18	April 5, 2023
3,208,667	3,208,667	0.35	1.39	June 24, 2023
3,798,667	**3,798,667**	**0.35**	**1.36**	

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 ten (10%) percent of the issued and outstanding shares immediately following the issuance of shares pursuant to the Plan of Arrangement.

On November 12, 2019, the Company issued 50,000 stock options to management of Votigo in connection with its investment. The options are exercisable at a price of $0.60 per share for a period of 10 years. The fair value of the options was $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. The options vest over a four-year period, with one quarter of the options vesting in one year, and thereafter vesting monthly.

Share-based payments of $2,724 were recorded for the vesting of the options for the period ended January 31, 2022 (January 31, 2021 – $7,130).

(Unaudited - Expressed in Canadian Dollars)

14. SHARE CAPITAL (CONT'D)

Stock options transactions are as follows:

	Number of Options		Weighted Average Exercise Price
Balance, July 31, 2020	**50,000**	**$**	**0.60**
Issued	-		-
Balance, July 31, 2021 and January 31, 2022	**50,000**	**$**	**0.60**

Stock options transactions are as follows:

Outstanding (#)	Exercisable (#)	Exercise Price ($)	Expiry Date
50,000	27,740	0.60	November 12, 2029

15. RELATED PARTY TRANSACTIONS

During the periods ended January 31, 2022 and 2021, interest and accretion recorded on related party loans were as follows:

Six months ended		January 31, 2022		January 31, 2021
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	$	264,281	$	187,830

During the periods ended January 31, 2022 and 2021, payments to key management and directors were as follows:

Six months ended		January 31, 2022		January 31, 2021
Fees accrued for a company controlled by the CEO	$	66,424	$	60,000
Fees accrued for a company controlled by the CFO		8,063		-
Fees paid to a company controlled by the CFO		2,813		-
Fees paid to a company controlled by the CEO		94,250		-
Fees paid to a company controlled by the former CFO		2,088		22,453
Total	$	173,637	$	82,453

Out of the total:

$149,932 is included in management and consulting fees (January 31, 2021 - $82,453)

$17,500 is included in professional fees (January 31, 2021 - $Nil)

$6,205 is included in office and administration fees (January 31, 2021 - $Nil)

Included in accounts payable and accrued liabilities is an amount of $284,581 (July 31, 2021 - $214,084) 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.

(Unaudited - Expressed in Canadian Dollars)

16. DEFERRED REVENUE

A continuity of deferred revenue is as follows:

Balance, July 31, 2020	$	203,507
Acquisition of US Sweeps (Note 3)		176,208
Additions		2,571,750
Revenue recognized		(2,362,620)
Effect of foreign exchange		32,806
Balance, July 31, 2021		621,651
Additions		1,896,405
Revenue recognized		(1,728,744)
Effect of foreign exchange		12,820
Balance, January 31, 2022	**$**	**802,132**

17. PROMISSORY NOTE

On October 29, 2020, Votigo entered into an unsecured promissory note agreement in the amount of US$500,000 with respect to the purchase of 100% of the common shares of US Sweeps (Note 3). US$250,000 of the promissory note is payable not later than 12 months after the October 29, 2020, and the final US$250,000 is payable not later than 24 months after the October 29, 2020. The promissory note is non-interest bearing. On October 28, 2021, Votigo paid the first instalment of US$250,000 to the previous shareholders of US Sweeps in cash.

On October 29, 2020, the fair value of the promissory note is US$217,558 (CDN $290,196) for the short-term payable portion and US$189,182 (CDN $252,344) for the long-term payable portion, calculated by discounting the future cash payments at a market rate of interest of 15%.

Continuity of the short-term portion is as follows:

		January 31, 2022
Balance, July 31, 2020	$	-
Fair value of short-term promissory note (Note 3)		290,196
Loan accretion		30,618
Effect of foreign exchange		(19,946)
Balance, July 31, 2021 (Note 10)		300,868
Loan accretion		20,660
Effect of foreign exchange		5,292
Loan repayment		(309,600)
Transferred from long-term payable		269,457
Balance, January 31, 2022 (Note 10)	**$**	**286,677**

(Unaudited - Expressed in Canadian Dollars)

17. PROMISSORY NOTE (CONT'D)

Continuity of the long-term portion is as follows:

		January 31, 2022
Balance, July 31, 2020	$	-
Fair value of long-term promissory note (Note 3)		252,344
Loan accretion		26,764
Effect of foreign exchange		(17,347)
Balance, July 31, 2021		261,761
Loan accretion		9,475
Effect of foreign exchange		(1,779)
Transferred to short-term payable		(269,457)
Balance, January 31, 2022	**$**	**-**

18. NON-CONTROLLING INTEREST

Balance as at July 31, 2020		1,245,426
Change of ownership interest (Note 3)		374,077
Share of net loss		(271,851)
Balance as at July 31, 2021		1,347,652
Share of net loss		123,564
Effect of foreign exchange		18,094
Balance ending January 31, 2022	**$**	**1,489,310**

The following is a summarized condensed consolidated interim statement of financial position of Votigo and US Sweeps at January 31, 2022 and July 31, 2021:

	January 31, 2022	July 31, 2021
Current:	$	$
Assets	3,393,322	3,040,901
Liabilities	(2,465,000)	(2,170,250)
Total current net assets	928,322	870,651
Non current:		
Assets	602,902	778,417
Liabilities	(221,220)	(475,327)
Total non-current net assets	381,682	303,090
Total net assets	$ 1,310,004	$ 1,173,741

(Unaudited - Expressed in Canadian Dollars)

18. NON-CONTROLLING INTEREST (CONT'D)

The following is a summarized consolidated interim statement of comprehensive income (loss) of Votigo and US Sweeps for the period ending January 31, 2022 and year ended January 31, 2021:

	January 31, 2022	January 31, 2021
Revenue	$ 1,997,718	$ 1,083,328
Net income (loss) and comprehensive income (loss)	$ 141,658	$ (295,508)

19. 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. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

20. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, investments, accounts receivable, loan receivable, accounts payable, related party loans, lease liability and loans payable. As at January 31, 2022, there were no significant differences between the carrying amounts of cash, investments, accounts receivable, accounts payable, lease liability and loans payable 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.

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; and
- 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 January 31, 2022, 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 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
- Market risk
- Currency risk

20. 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 January 31, 2022, 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

Market risk is the risk that investments in shares of publicly traded companies will decline in value as a result of a decline in prices quoted in open markets. The Company is exposed to market risk as it owns shares in Leaf.

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.

The Company's reporting currency is the Canadian dollars and as such the Company is exposed to foreign currency fluctuations on its US dollar denominated financial instruments. As at January 31, 2022, the Company had US dollar denominated cash of US$107,233 (July 31, 2021 – US$124,181), and loans payable of US$1,400,000 (July 31, 2021 – US$1,400,000). As at January 31, 2022, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net income by approximately $182,394 (July 31, 2021 – $159,879).

(Unaudited - Expressed in Canadian Dollars)

21. SEGMENT INFORMATION

During the period ended January 31, 2022 and the year ended July 31, 2021, the Company had two geographical areas and two operating segments, being investing activities (Canada) and online promotions (United States of America). Revenue and assets by geography are presented below:

As at and for the period ended January 31, 2022:

		Canada		USA		Total
Revenue	$	-	$	1,997,718	$	1,997,718
Depreciation	$	-	$	127,402	$	127,402
Interest expense	$	264,281	$	37,566	$	301,847
Fair value gain on investments	$	(154,826)	$	-	$	(154,826)
Net income (loss)	$	(435,808)	$	208,091	$	(227,717)
Current Assets	$	1,348,335	$	3,393,323	$	4,741,658
Non current assets	$	5,895,988	$	602,902	$	6,498,890
Non-controlling interest	$	-	$	1,489,310	$	1,489,310

As at and for the year ended July 31, 2021:

		Canada		USA		Total
Revenue	$	-	$	2,811,740	$	2,811,740
Depreciation	$	139	$	235,445	$	235,584
Interest expense	$	419,139	$	68,127	$	487,266
Fair value gain on investments	$	97,106	$	-	$	97,106
Net loss	$	750,461	$	226,716	$	977,177
Current Assets	$	2,256,243	$	3,040,901	$	5,297,144
Non current assets	$	5,045,200	$	778,418	$	5,823,618
Non-controlling interest	$	-	$	1,347,652	$	1,347,652

22. SUBSEQUENT EVENTS

On December 22, 2021, Plank's subsidiary Votigo Inc. signed a non-binding Letter of Intent and Term Sheet to purchase 100% of a target in the sweepstakes and contest administration space (the "Target"). The Target administers sweepstakes, games, and contests. Services include promotion concept evaluation, official rules development, legal services, state registrations, entry page development, judging services, winner selection, verification and notification, prize fulfillment and tax form issuance. The non-binding purchase price for the interests is expected to be $1,650,000 USD and is targeting to close March 31, 2022. The Company intends to finance the purchase with current cash on hand but is also exploring additional methods of financing.

On March 14, 2022, the Company received cash proceeds of $31,573 and additional 14,032 shares of Leaf as a result of Leaf achieving revenue earnout milestone previously set under terms of acquisition of East Side Games Inc. The common shares are subject to a four month hold period.

On March 15, 2022, the Company has entered into a loan agreement with Sitemax for $100,000 CAD. The loan bears interest at a monthly rate of 2%, compounded monthly, and is repayable in six equal monthly instalments commencing six months from the date of the loan. The loan will be used to fund general working capital requirements.