



**Plank Ventures Ltd.**

Condensed Consolidated Interim Financial Statements  
(Unaudited)

(EXPRESSED IN CANADIAN DOLLARS)

**For the Three and Nine Months Ended April 30, 2022 and 2021**

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

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

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

In accordance with National Instrument 51-102 Section 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants Canada for a review of condensed consolidated interim financial statements by an entity's auditor, for the nine-month periods ended April 30, 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	April 30, 2022	July 31, 2021
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash		\$ 2,395,963	\$ 4,118,800
Accounts and other receivables	4	1,320,578	962,164
Loan receivable	7	103,020	113,851
Prepaid expenses		48,902	102,329
		3,868,463	5,297,144
<u>Non-Current Assets</u>			
Equipment	5	2,117	2,362
Right-of-use asset	6	12,463	25,930
Intangible assets	8	4,315,471	2,313,583
Investments	9	4,208,096	3,481,743
<b>TOTAL ASSETS</b>		<b>\$ 12,406,610</b>	<b>\$ 11,120,762</b>
<b>LIABILITIES</b>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	10,15	\$ 2,668,082	\$ 1,862,012
Current portion of lease liability	11	11,220	16,276
Current portion of term loans payable	12,13	3,202,809	11,899
Deferred government grant	12	-	29,658
Deferred revenue	16	816,697	621,651
		6,698,808	2,541,496
<u>Non-Current Liabilities</u>			
Lease liability	11	-	7,025
Term loans payable	12,13	60,991	2,785,454
Long-term note payable	17	467,026	261,761
Deferred tax liability		696,178	466,659
<b>TOTAL LIABILITIES</b>		<b>7,923,003</b>	<b>6,062,395</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	14	3,951,162	3,951,162
Contributed surplus	14	6,543,083	6,543,083
Share based payment reserves	14	29,846	23,532
Equity portion of debt	13	635,797	635,797
Accumulated other comprehensive loss		(121,380)	(116,407)
Deficit		(8,044,176)	(7,326,452)
Equity attributable to shareholders of the Company		2,994,332	3,710,715
Non-controlling interest	18	1,489,275	1,347,652
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		<b>4,483,607</b>	<b>5,058,367</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 12,406,610</b>	<b>\$ 11,120,762</b>
Nature of operations and going concern uncertainty	1		
<i>Approved on behalf of the board</i>			
<i>"Brian O'Neill"</i>		<i>"Laurie Baggio"</i>	
_____ Brian O'Neill, Director		_____ 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 April 30,		Nine months ended April 30,	
		2022	2021	2022	2021
<b>REVENUE</b>					
Sales revenue	21	\$ 1,035,937	\$ 914,337	\$ 3,033,655	\$ 1,997,666
<b>COST OF REVENUE</b>					
Hosting charges and other		85,576	316,755	331,392	605,315
<b>Gross Profit</b>		<b>950,361</b>	<b>597,582</b>	<b>2,702,263</b>	<b>1,392,351</b>
<b>EXPENSES</b>					
Amortization	5,6,8	71,998	64,069	199,400	186,048
Management and consulting fees	15	87,000	73,317	236,933	199,521
Personnel		605,652	503,922	1,698,094	1,408,103
Professional fees	15	82,323	71,207	229,115	218,105
Office and administration	15	185,272	88,014	503,020	281,790
Regulatory and filing fees		43	223	43	245
Share-based payments	14	3,590	2,012	6,314	9,142
Foreign exchange		(5,660)	(67,776)	27,110	(120,918)
		1,030,218	734,987	2,900,029	2,182,036
Interest expense	11,12,13,17	157,763	109,256	459,610	321,855
Interest income		(3,368)	(9,309)	(14,762)	(17,696)
Debt cancellation and forgiveness		-	-	-	(6,543,410)
Dividend income	9	-	(26,811)	-	(26,811)
Equity loss on investments	9	11,963	-	11,963	-
Gain on sale of investments		(70,863)	(407,349)	(70,863)	(407,349)
Gain on government grant	12	(37)	(21,700)	(27,351)	(68,193)
Fair value loss (gain) on investments	9	165,800	(375,776)	10,974	(194,951)
Fair value loss on purchase option	8	-	8,281	1,495	53,805
Gain on fair value of digital currencies		-	(36,410)	-	(56,607)
		261,258	(759,818)	371,066	(6,939,357)
<b>Net income (loss) for the period</b>		<b>\$ (341,115)</b>	<b>\$ 622,413</b>	<b>\$ (568,832)</b>	<b>\$ 6,149,672</b>
<b>Net income (loss) attributable to:</b>					
Shareholders of the parent company		\$ (366,443)	\$ 666,541	\$ (717,724)	\$ 6,489,309
Non-controlling interest	18	25,328	(44,128)	148,892	(339,636)
		<b>\$ (341,115)</b>	<b>\$ 622,413</b>	<b>\$ (568,832)</b>	<b>\$ 6,149,673</b>
<b>Other comprehensive income (loss):</b>					
Foreign currency translation gain (loss) attributed to equity shareholders of the parent company		\$ (17,350)	\$ (11,698)	\$ (4,973)	\$ 6,408
Foreign currency translation gain attributed to NCI	18	\$ (25,363)	\$ -	\$ (7,269)	\$ -
<b>Comprehensive income (loss) for the period</b>		<b>\$ (383,828)</b>	<b>\$ 610,715</b>	<b>\$ (581,074)</b>	<b>\$ 6,156,081</b>
<b>Income (loss) per share</b>					
Basic		\$ (0.02)	\$ 0.06	\$ (0.03)	\$ 0.76
Diluted		\$ (0.02)	\$ 0.06	\$ (0.03)	\$ 0.76
<b>Weighted average number of common shares outstanding</b>					
Basic		17,740,019	10,474,146	17,740,019	8,129,632
Diluted		17,854,725	10,474,146	17,757,660	8,129,632

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)

	Note	Share capital		Contributed surplus	Share based payment reserves	Equity portion of debt	Accumulated other comprehensive income	Deficit	Non-controlling interest	Total
		Number of shares	Amount							
<b>Balance at July 31, 2020</b>		<b>6,357,924</b>	<b>536,521</b>	-	<b>12,632</b>	<b>165,983</b>	<b>(30,402)</b>	<b>(6,121,324)</b>	<b>1,245,426</b>	<b>(4,191,164)</b>
Share-based payments	14	-	-	-	9,142	-	-	-	-	9,142
Debt settlement for shares	14	3,784,761	1,135,441	-	-	-	-	-	-	1,135,441
Proceeds from issuance of common shares	14	1,180,000	354,000	-	-	-	-	-	-	354,000
Equity portion of debt	14	-	-	-	-	440,067	-	-	-	440,067
Investment in subsidiary	3	-	-	-	-	-	-	189,938	(189,938)	-
Foreign currency translation		-	-	-	-	-	6,408	-	-	6,408
Income (loss) for the year	18	-	-	-	-	-	-	6,489,309	(339,636)	6,149,673
<b>Balance at April 30, 2021</b>		<b>11,322,685</b>	<b>2,025,962</b>	-	<b>21,774</b>	<b>606,050</b>	<b>(23,994)</b>	<b>557,923</b>	<b>715,852</b>	<b>3,903,567</b>
Share-based payments	14	-	-	-	1,758	-	-	-	-	1,758
Proceeds from issuance of common shares	14	6,417,334	1,925,200	-	-	-	-	-	-	1,925,200
Forgiveness of debt from Mobio Technologies Inc.	14	-	-	6,543,083	-	-	-	-	-	6,543,083
Equity portion of debt	14	-	-	-	-	29,747	-	-	-	29,747
Investment in subsidiary	3,18	-	-	-	-	-	-	(564,015)	564,015	-
Foreign currency translation		-	-	-	-	-	(92,413)	-	(125,725)	(218,138)
Income (loss) for the year	18	-	-	-	-	-	-	(7,320,360)	193,510	(7,126,850)
<b>Balance at July 31, 2021</b>		<b>17,740,019</b>	<b>3,951,162</b>	<b>6,543,083</b>	<b>23,532</b>	<b>635,797</b>	<b>(116,407)</b>	<b>(7,326,452)</b>	<b>1,347,652</b>	<b>5,058,367</b>
Share-based payments	14	-	-	-	6,314	-	-	-	-	6,314
Foreign currency translation		-	-	-	-	-	(4,973)	-	(7,269)	(12,242)
Income (loss) for the period	18	-	-	-	-	-	-	(717,724)	148,892	(568,832)
<b>Balance at April 30, 2022</b>		<b>17,740,019</b>	<b>\$ 3,951,162</b>	<b>\$ 6,543,083</b>	<b>\$ 29,846</b>	<b>\$ 635,797</b>	<b>\$ (121,380)</b>	<b>\$ (8,044,176)</b>	<b>\$ 1,489,275</b>	<b>\$ 4,483,607</b>

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)

	<b>Periods ended April 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ (568,832)	\$ 6,149,673
<u>Items not affecting cash</u>		
Amortization	199,400	186,808
Interest expense	459,118	313,435
Unrealized foreign exchange gain	(16,405)	(174,775)
Share-based payments	6,314	9,142
Loan forgiveness from former parent	-	(6,543,410)
Gain on fair value of digital currencies	-	(56,607)
Fair value loss on settlement of receivable	-	180,825
Fair value loss on purchase option	1,495	53,805
Gain on government grant	(27,351)	(68,193)
Gain on sale of investments	(39,290)	(345,101)
Fair value loss (gain) on investments	10,974	(375,776)
Loss on equity investments	11,963	-
Accrued interest income	(3,674)	(12,084)
<u>Net changes in non-cash working capital</u>		
Accounts receivable	(249,469)	(494,848)
Prepaid expenses	55,821	(34,142)
Deferred revenue	178,585	340,085
Accounts payable and accrued liabilities	466,727	(361,337)
Net cash used in operating activities	485,376	(1,232,500)
<b>INVESTING ACTIVITIES</b>		
Acquisition of subsidiary	(1,238,688)	(334,569)
Acquisition of PP&E	(2,105)	-
Cash assumed from acquisition of subsidiary	50,585	825,272
Cash investments made	(710,000)	(539,877)
Loan receivable made	(100,000)	(100,000)
Proceeds from loans receivable	114,505	522,349
Lease payments	(12,910)	(13,427)
Net cash provided by (used in) investing activities	(1,898,613)	359,748
<b>FINANCING ACTIVITIES</b>		
Proceeds from loans	-	1,708,808
Loan repayments	(309,600)	-
Proceeds from private placement	-	354,000
Net cash provided by financing activities	(309,600)	2,062,808
NET CHANGE IN CASH	(1,722,837)	1,190,056
CASH, BEGINNING OF THE YEAR	4,118,800	611,961
CASH, END OF THE YEAR	\$ 2,395,963	\$ 1,802,017

See accompanying notes to the condensed consolidated interim financial statements.

## **PLANK VENTURES LTD.**

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

(Unaudited - Expressed in Canadian Dollars)

Three and nine months ended April 30, 2022 and 2021

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#### **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 750 West Pender Street, Suite 401, Vancouver, BC, V6C 2T7. 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 April 30, 2022, the Company has an accumulated deficit of \$8,044,176.

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 April 30, 2022, the Company had a cash balance of \$2,395,963 to settle current liabilities of \$6,698,808, out of which \$3,192,862 are due to related party loans set to mature on December 31, 2022 (Note 13). As of April 30, 2022, the Company had a working capital deficit of \$2,830,345. 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.

#### **2. BASIS OF PRESENTATION**

These unaudited condensed consolidated interim financial statements were authorized for issue on June 24, 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 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

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

(Unaudited - Expressed in Canadian Dollars)

Three and nine months ended April 30, 2022 and 2021

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

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 April 30, 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:

	Country of incorporation	Percentage owned*	
		April 30, 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

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



## **PLANK VENTURES LTD.**

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

(Unaudited - Expressed in Canadian Dollars)

Three and nine months ended April 30, 2022 and 2021

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

of Votigo. Votigo acquired US Sweeps on October 29, 2020 (Note 3). Promotions Activators Management, LLC ("Promotion Activators"), a company in the sweepstakes and contest administration space is a wholly owned subsidiary of Votigo. Votigo acquired Promotion Activators on April 1, 2022 (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 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 that 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 (CDN\$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.

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

(Unaudited - Expressed in Canadian Dollars)

Three and nine months ended April 30, 2022 and 2021

**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
		<hr/>
		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)
		<hr/>
	\$	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 (Note 8).

**(c) Promotion Activators**

On April 1, 2022, Votigo acquired 100% of Promotion Activators for US\$1,650,000 of which US\$990,000 (CDN\$1,238,688) was paid in cash at closing and the remaining US\$660,000 is payable in four equal instalments of US\$165,000, on the anniversary of the transaction. The fair value of the deferred payments was US\$510,345 (CDN\$638,544), calculated by discounting the future cash payments at a market rate of interest of 11%.

The purchase price of Promotion Activators is allocated as follows:

Fair value of consideration:		
Cash	\$	1,238,688
Short-term payable to shareholders of Promotion Activators (Note 17)		185,750
Long-term payable to shareholders of Promotion Activators (Note 17)		452,794
		<hr/>
		1,877,232
Net assets acquired:		
Cash		50,585
Accounts receivables		81,972
Intangible assets (Note 8)		952,163
Goodwill (Note 8)		1,128,747
Deferred tax liability		(220,412)
Accounts payable and accrued liabilities		(115,823)
		<hr/>
	\$	1,877,232

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

(Unaudited - Expressed in Canadian Dollars)

Three and nine months ended April 30, 2022 and 2021

**3. ACQUISITION (CONT'D)**

The acquisitions of Promotion Activators 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 \$1,128,747 (Note 8).

**4. ACCOUNTS RECEIVABLE**

	April 30, 2022	July 31, 2021
Trade and other receivables	\$ 1,307,174	\$ 949,351
GST recoverable	13,404	12,813
	<b>\$ 1,320,578</b>	<b>\$ 962,164</b>

**5. EQUIPMENT**

	Computer & Office Equipment	Leasehold Improvements
<b>Cost</b>		
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	2,105	-
Effect of foreign exchange	91	63
Balance April 30, 2022	\$ 2,883	\$ 2,355
<b>Amortization</b>		
Balance July 31, 2020	584	\$ -
Addition	4,479	690
Effect of foreign exchange	(4,377)	(760)
Balance July 31, 2021	687	(70)
Addition	-	2,395
Effect of foreign exchange	79	30
Balance April 30, 2022	\$ 766	\$ 2,355
<b>Net book value</b>		
Balance July 31, 2021	\$ -	\$ 2,362
Balance April 30, 2022	\$ 2,117	\$ -

**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.

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**6. RIGHT-OF-USE ASSET (CONT'D)**

The Company's right-of-use asset as at April 30, 2022:

<b>Balance, July 31, 2020</b>	79,786
Reduction of lease value due to COVID-related discounts	(37,174)
Amortization	(11,320)
Effect of foreign exchange	(5,362)
<b>Balance, July 31, 2021</b>	25,930
Amortization	(13,977)
Effect of foreign exchange	510
<b>Balance, April 30, 2022</b>	<b>\$ 12,463</b>

**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.

On March 15, 2022, 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 Company's loan receivable as at April 30, 2022 and July 31, 2021 was as follows:

<b>Balance, July 31, 2020</b>	\$	-
Loan advanced		100,000
Accrued interest		13,851
<b>Balance, July 31, 2021</b>		113,851
Loan advanced		100,000
Accrued interest		3,674
Proceeds from loan receivable		(114,505)
<b>Balance, April 30, 2022</b>	<b>\$</b>	<b>103,020</b>

**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 (Note 3). Amortization is calculated on a straight-line basis over their estimated useful lives of 10 years.

Intangible assets acquired during the period ended April 30, 2022 are related to the acquisition of Promotion Activators and consist of brand names, customer relationships, and a non-compete agreement (Note 3). Amortization of brand name and customer relations is calculated on a straight-line basis over their estimated useful lives of 10 years, amortization of the non-compete agreement is calculated on a straight-line basis over the length of the agreement of 3 years.

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**8. INTANGIBLE ASSETS (CONT'D)**

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

	Brand name, online platform and customer relationships	Goodwill	Purchase option	Total
<b>Balance July 31, 2020</b>	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)
<b>Balance July 31, 2021</b>	1,951,056	361,044	1,483	2,313,583
Acquired on acquisition of subsidiary (Note 3)	952,163	1,128,747	-	2,080,910
Fair value loss	-	-	(1,495)	(1,495)
Amortization	(183,028)	-	-	(183,028)
Effect of foreign exchange	70,669	34,820	12	105,501
<b>Balance April 30, 2022</b>	<b>\$ 2,790,860</b>	<b>\$ 1,524,611</b>	<b>\$ -</b>	<b>\$ 4,315,471</b>

**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.

**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.

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

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#### 9. INVESTMENTS (CONT'D)

of the loan. 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.

On February 1, 2022, SiteMax converted 333,140 Series 1 seed preferred shares and 476,189 Series 2 seed preferred shares owned by Plank into 809,329 Class 1 common shares. There was no change to the Company's share of equity ownership of SiteMax as a result of this transaction.

On March 15, 2022, 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 April 30, 2022, the Company earned interest of \$3,674 (April 30, 2021 - \$7,253) on the loan (Note 7).

As at April 30, 2022, the Company holds an aggregate of 1,364,594 Class 1 common shares (April 30, 2021 - 555,265 Class 1 common shares, 333,140 Series 1 seed preferred shares, and 476,189 Series 2 seed preferred shares).

#### **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 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).

#### **Investment in Shop and Shout Ltd (DBA "Creator")**

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.

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 April 30, 2022, the Company owns 317,647 Class A common shares which represents approximately 2.84% 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:

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#### 9. INVESTMENTS (CONT'D)

- \$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 \$220,000 to April 30, 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.

On March 29, 2022, the Company has entered into a Simple Agreement for Future Equity subscription agreement (the "SAFE") for an aggregate subscription price of \$300,000 to be paid as follows:

- \$25,000 in cash paid on March 29, 2022.
- The Company agreed to make eleven monthly payments of \$25,000 each commencing April 1, 2022, and ending February 1, 2023 (paid \$25,000 to April 30, 2022).

The SAFE provides that the investment will be converted into common shares of Karve at a price equal to \$3,000,000 divided by the capitalization of Karve no later than two years after the date of the SAFE.

As a result of the additional investment pursuant to the original share subscription agreement, the Company obtained significant influence over Karve on April 1, 2022, and accordingly, equity method accounting was applied from that date forward.

For the period ended April 30, 2022, the Company recognized its share of Karve's net loss of \$11,963 (April 30, 2021 - \$Nil) in the condensed consolidated interim statements of net income (loss) and comprehensive income (loss).

As at April 30, 2022, the Company owns 250,000 shares of Karve, representing approximately 31.21% of the Company.

#### **Investment in East Side Games Group ("ESGG"), formerly 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 ESGG, 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 April 30, 2022, the Company held 167,409 shares of ESGG, of which 74,050 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 a fair value gain of \$115,033 (July 31, 2020 - \$Nil) due to change in share price of ESGG and recognized a fair value loss of \$173,891 (July 31, 2020 - \$Nil) due to the DLOM discount.

On December 7, 2021, ESGG announced the change of its trade name from Leaf Mobile Inc. to East

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

Side Games Group.

On March 14, 2022, the Company recognized a gain on investment of \$70,863 as a result of receiving \$31,573 in cash and an additional 14,032 common shares of ESGG due to an earnout milestone achievement previously set under the terms of the acquisition. The fair value of the additional shares received was determined by multiplying number of shares by the closing market price on that day.

During the period ended April 30, 2022, the Company recognized a fair value loss of \$116,946 (April 30, 2021 – gain of \$375,776) due to the decrease in share price of ESGG and recognized a fair value gain of \$116,475 due to the decrease in the DLOM discount, for a net loss of \$471.

**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.

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 \$291,848 using the appropriate market discount rate of 20%. The value of the equity component is calculated at \$36,939 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 12%, expected life of 0.55 years, risk-free interest rate of 2.4% and expected dividends of Nil.

During the period ended April 30, 2022, the Company recognized a fair value gain of \$28,787 (April 30, 2021 - \$Nil) on the note.

Investment transactions for the nine months ended April 30, 2022 are as follows:

Opening Balance	Purchases	Disposals	Change in Fair Value		Equity Loss	Accrued Interest	Fair Value
\$ 3,481,743	\$ 710,000	\$ -	\$ 28,316	\$ (11,963)	\$ -	\$ -	\$ 4,208,096

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



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**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>April 30, 2022</b>	<b>July 31, 2021</b>
Payable to the shareholders of US Sweeps. (Note 17)	\$ 298,327	\$ 300,868
Payable to the shareholders of Promotion Activators (Note 17)	191,588	-
Accounts payable	166,293	268,219
Accrued liabilities	2,011,874	1,292,925
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 2,668,082</b>	<b>\$ 1,862,012</b>

**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 April 30, 2022:

	<b>April 30, 2022</b>	<b>July 31, 2021</b>
Balance, opening	\$ 23,301	\$ 83,096
Reduction of lease value due to COVID-related discounts	-	(37,174)
Payments	(12,910)	(17,658)
Interest recorded	370	506
Effect of foreign exchange	459	(5,468)
<b>Balance, ending</b>	<b>\$ 11,220</b>	<b>\$ 23,301</b>

  

	<b>April 30, 2022</b>	<b>July 31, 2021</b>
Current portion	\$ 11,220	\$ 16,276
Long term portion	-	7,025
	<b>\$ 11,220</b>	<b>\$ 23,301</b>

**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 in 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 April 30, 2022, additional expenses were incurred for which the grant was intended to compensate; as a result, \$27,351 was recognized as income (April 30, 2021 - \$68,193).

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**12. GOVERNMENT GRANTS AND LOANS (CONT'D)**

During the period ended April 30, 2022, the Company recorded interest and accretion of \$10,175 on the loan (April 30, 2021 - \$7,999).

The balances of the EIDL loan outstanding are as follows:

	<b>April 30, 2022</b>		<b>July 31, 2021</b>	
Beginning balance	\$	56,393	\$	49,882
Interest and accretion		10,175		10,239
Recalculation of present value of the loan		2,677		-
Effect of foreign exchange		1,693		(3,728)
<b>EIDL Loan</b>	<b>\$</b>	<b>70,938</b>	<b>\$</b>	<b>56,393</b>

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

	<b>April 30, 2022</b>		<b>July 31, 2021</b>	
Current portion	\$	9,947	\$	11,899
Long term portion		60,991		44,494
	<b>\$</b>	<b>70,938</b>	<b>\$</b>	<b>56,393</b>

The balances of the deferred government grant are as follows:

	<b>April 30, 2022</b>		<b>July 31, 2021</b>	
Beginning balance	\$	29,658	\$	126,538
Gain on government grant		(27,351)		(89,936)
Recalculation of present value of the loan		(2,677)		-
Effect of foreign exchange		370		(6,944)
<b>Deferred Government Grant ending balance</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>29,658</b>

**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 were 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 April 30, 2022, the Company recorded \$63,893 (April 30, 2021 - \$39,150) in interest and accretion on the loan (Note 15). The balance of the loan at January 31, 2022 is \$514,879.

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 was 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

**PLANK VENTURES LTD.**

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**13. RELATED PARTY LOANS (CONT'D)**

discounting the balance of the loan at an appropriate market rate of interest. During the period ended April 30, 2022, the Company recorded \$114,841 (April 30, 2021 - \$100,857) in interest and accretion on the loan (Note 15). The balance of the loan at April 30, 2022 is \$900,924.

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 amended 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 April 30, 2022, the Company recorded interest of \$28,852 (April 30, 2021 - \$17,292) on the loan (Note 15). The balance of the loan at April 30, 2022 is \$230,184.

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 were 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 April 30, 2022, the Company recorded \$70,075 in interest on the loan (April 30, 2021 - \$36,967) (Note 15). The balance of the loan at April 30, 2022 is \$564,704.

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 April 30, 2022, the Company recorded \$125,109 in interest on the loan (April 30, 2021 - \$57,381) (Note 15). The balance of the loan at April 30, 2022 is \$982,171.

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**13. RELATED PARTY LOANS (CONT'D)**

The loans are made up as follows:

	<b>Liability component</b>	<b>Equity component</b>
<b>Balance, July 31, 2020</b>	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)	-
<b>Balance, July 31, 2021</b>	2,740,960	635,797
Accrued interest and accretion (Note 15)	402,770	-
Effect of foreign exchange	49,132	-
<b>Balance, April 30, 2022</b>	<b>\$ 3,192,862</b>	<b>\$ 635,797</b>
	<b>April 30, 2022</b>	<b>July 31, 2021</b>
Short-term loans	3,192,862	-
Long-term loans	-	2,740,960
	<b>\$ 3,192,862</b>	<b>\$ 2,740,960</b>

**14. SHARE CAPITAL****Authorized:**

Unlimited number of common shares without par value.

**Issued:**

As at April 30, 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.

On June 24, 2021, the Company completed the second and final tranche of a 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.

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**14. SHARE CAPITAL (CONT'D)**

As at April 30, 2022, the Company had 3,798,667 warrants issued and outstanding (July 31, 2021 – 3,798,667).

<b>Balance at July 31, 2020</b>					-
Issue of warrants on private placement					3,798,667
<b>Balance at July 31, 2021 and April 30, 2022</b>					<b>3,798,667</b>
<b>Outstanding</b>	<b>Exercisable</b>	<b>Exercise</b>	<b>Remaining Life</b>	<b>Expiry</b>	
(#)	(#)	Price (\$)	(Years)	Date	
590,000	590,000	0.35	0.93	April 5, 2023	
3,208,667	3,208,667	0.35	1.15	June 24, 2023	
<b>3,798,667</b>	<b>3,798,667</b>	<b>0.35</b>	<b>1.12</b>		

**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.

On April 14, 2022, the Company issued 1,212,500 stock options to its directors, officers, employees and consultants. The options are exercisable at a price of \$0.23 per share for a period of 10 years. The fair value of the options was \$229,199 using the Black-Scholes option pricing model with the following assumptions: volatility of 210%, expected life of 10 years, risk-free interest rate of 1.97% 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 \$6,314 were recorded for the vesting of the options for the period ended April 30, 2022 (April 30, 2021 – \$9,142).

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**14. SHARE CAPITAL (CONT'D)**

Stock options transactions are as follows:

	Number of Options	Weighted Average Exercise Price
<b>Balance, July 31, 2020</b>	50,000	\$ 0.60
Issued	-	-
<b>Balance, July 31, 2021</b>	50,000	0.60
Issued	1,212,500	0.23
<b>Balance, April 30, 2022</b>	<b>1,262,500</b>	<b>\$ 0.24</b>

Stock options transactions are as follows:

Outstanding (#)	Exercisable (#)	Exercise Price (\$)	Remaining Life (Years)	Expiry Date
50,000	30,788	0.60	7.54	November 12, 2029
1,212,500	-	0.23	9.96	April 14, 2032
<b>1,262,500</b>	<b>30,788</b>	<b>0.24</b>	<b>9.87</b>	

**15. RELATED PARTY TRANSACTIONS**

During the periods ended April 30, 2022 and 2021, interest and accretion recorded on related party loans were as follows:

<b>Nine months ended</b>	<b>April 30, 2022</b>	<b>April 30, 2021</b>
Interest and accretion on loans payable to companies with a common director and officer or to companies controlled by directors and/or officers or by a director of a related company	\$ 402,770	\$ 275,705

During the periods ended April 30, 2022 and 2021, payments to key management and directors were as follows:

<b>Nine months ended</b>	<b>April 30, 2022</b>	<b>April 30, 2021</b>
Fees accrued for a company controlled by the CEO	\$ 103,658	\$ 90,000
Fees accrued for a company controlled by the CFO	9,450	-
Fees paid to a company controlled by the CFO	13,425	32,408
Fees paid to a company controlled by the CEO	153,534	-
<b>Total</b>	<b>\$ 280,066</b>	<b>\$ 122,408</b>

Out of the total:

\$236,875 is included in management and consulting fees (April 30, 2021 - \$122,408)

\$37,267 is included in professional fees (April 30, 2021 - \$Nil)

\$5,924 is included in office and administration fees (April 30, 2021 - \$Nil)

Included in accounts payable and accrued liabilities is an amount of \$323,989 (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.

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**16. DEFERRED REVENUE**

A continuity of deferred revenue is as follows:

<b>Balance, July 31, 2020</b>	\$	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
<b>Balance, July 31, 2021</b>		621,651
Additions		2,734,407
Revenue recognized		(2,555,822)
Effect of foreign exchange		16,461
<b>Balance, April 30, 2022</b>	<b>\$</b>	<b>816,697</b>

**17. PROMISSORY NOTES AND DEFERRED PAYMENTS**

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 October 29, 2020, and the final US\$250,000 is payable not later than 24 months after 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%.

On April 1, 2022, Votigo entered into a deferred payment agreement in the amount of US\$660,000 with respect to the purchase of 100% of the common shares of Promotion Activators (Note 3). The amount is non-interest bearing and payable in four equal instalments of US\$165,000, on the anniversary of the transaction.

On April 1, 2022, the fair value of the deferred payments was US\$510,345 (CDN\$638,544), calculated by discounting the future cash payments at a market rate of interest of 11%.

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**17. PROMISSORY NOTE AND DEFERRED PAYMENTS (CONT'D)**

Continuity of short-term promissory notes and deferred payments is as follows:

	<b>April 30, 2022</b>
<b>Balance, July 31, 2020</b>	\$ -
Fair value of short-term promissory note (Note 3)	290,196
Loan accretion	30,618
Effect of foreign exchange	(19,946)
<b>Balance, July 31, 2021 (Note 10)</b>	300,868
Fair value of short-term promissory note (Note 3)	185,750
Loan accretion	32,280
Effect of foreign exchange	11,160
Loan repayment	(309,600)
Transferred from long-term payable	269,457
<b>Balance, April 30, 2022 (Note 10)</b>	<b>\$ 489,915</b>

Continuity of long-term promissory notes and deferred payments is as follows:

	<b>April 30, 2022</b>
<b>Balance, July 31, 2020</b>	\$ -
Fair value of long-term promissory note (Note 3)	252,344
Loan accretion	26,764
Effect of foreign exchange	(17,347)
<b>Balance, July 31, 2021</b>	261,761
Fair value of long-term promissory note (Note 3)	452,794
Loan accretion	13,523
Effect of foreign exchange	8,405
Transferred to short-term payable	(269,457)
<b>Balance, April 30, 2022</b>	<b>\$ 467,026</b>

**18. NON-CONTROLLING INTEREST**

<b>Balance as at July 31, 2020</b>	1,245,426
Change of ownership interest (Note 3)	374,077
Share of net loss	(271,851)
<b>Balance as at July 31, 2021</b>	1,347,652
Share of net loss	148,892
Effect of foreign exchange	(7,269)
<b>Balance ending April 30, 2022</b>	<b>\$ 1,489,275</b>



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**18. NON-CONTROLLING INTEREST (CONT'D)**

The following is a summarized condensed consolidated interim statement of financial position of Votigo, US Sweeps, and Promotion Activators at April 30, 2022 and July 31, 2021:

	April 30, 2022	July 31, 2021
Current:	\$	\$
Assets	3,277,555	3,040,901
Liabilities	(3,083,463)	(2,170,250)
Total current net assets	194,092	870,651
Non current:		
Assets	2,661,108	778,417
Liabilities	(915,179)	(475,327)
Total non-current net assets	1,745,929	303,090
Total net assets	\$ 1,940,021	\$ 1,173,741

The following is a summarized consolidated interim statement of comprehensive income (loss) of Votigo, US Sweeps, and Promotion Activators for the period ending April 30, 2022 and 2021:

	April 30, 2022	April 30, 2021
Revenue	\$ 3,033,655	\$ 1,997,666
Net income (loss) and comprehensive income (loss)	\$ 141,623	\$ (339,636)

**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, prepaid expenses, loan receivable, accounts payable, accrued liabilities, related party loans, lease liability and loans payable. As at April 30, 2022, there were no significant differences between the carrying amounts of cash, investments, accounts receivable, prepaid expenses, accounts payable, accrued expenses, lease liability and loans payable and their estimated fair values. The carrying value of these items approximates their fair values.

Loans payable and lease liability 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.

## PLANK VENTURES LTD.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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#### 20. FINANCIAL INSTRUMENTS (CONT'D)

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 April 30, 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

##### **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, loan receivable and government sales tax receivable. Based on the evaluation of receivables at April 30, 2022, the Company believes that its receivables are collectable and management has determined that the credit risk is moderate.

##### **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 ESGG.

##### **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 dollar and as such the Company is exposed to

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

foreign currency fluctuations on its US dollar denominated financial instruments. As at April 30, 2022, the Company had US dollar denominated cash of US\$7,168 (July 31, 2021 – US\$124,181), and loans payable of US\$1,400,000 (July 31, 2021 – US\$1,400,000). As at April 30, 2022, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net income by approximately \$205,258 (July 31, 2021 – \$159,879).

**21. SEGMENT INFORMATION**

During the period ended April 30, 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 April 30, 2022:

	Canada		USA		Total
Revenue	\$ -	\$ -	\$ 3,033,655	\$ -	\$ 3,033,655
Depreciation	\$ -	\$ -	\$ 199,400	\$ -	\$ 199,400
Interest expense	\$ 402,770	\$ -	\$ 56,840	\$ -	\$ 459,610
Fair value gain on investments	\$ 10,974	\$ -	\$ -	\$ -	\$ 10,974
Net income (loss)	\$ (819,577)	\$ -	\$ 250,745	\$ -	\$ (568,832)
Current Assets	\$ 590,908	\$ -	\$ 3,277,555	\$ -	\$ 3,868,463
Non current assets	\$ 5,877,039	\$ -	\$ 2,661,108	\$ -	\$ 8,538,147
Non-controlling interest	\$ -	\$ -	\$ 1,489,275	\$ -	\$ 1,489,275

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