Plank Ventures Ltd.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For years ended July 31, 2022 and 2021

Index:

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Plank Ventures Ltd.

Opinion

We have audited the consolidated financial statements of Plank Ventures Ltd. (the “Company”), which comprise the consolidated statements of financial position as at July 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this audit report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error,

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
November 28, 2022

PLANK VENTURES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	Notes	July 31, 2022	July 31, 2021
ASSETS			
Current Assets			
Cash and restricted cash	5	$ 2,667,851	$ 4,118,800
Accounts and other receivables	6	1,140,086	962,164
Loan receivable	9	109,361	113,851
Prepaid expenses		84,765	102,329
		4,002,063	5,297,144
Non-Current Assets			
Equipment	7	1,709	2,362
Right-of-use asset	8	7,917	25,930
Intangible assets	10	4,239,524	2,313,583
Investments	11	3,616,531	3,481,743
TOTAL ASSETS		$ 11,867,744	$ 11,120,762
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	12,17	$ 3,308,619	$ 1,862,012
Current portion of lease liability	13	7,395	16,276
Current portion of term loans payable	14	9,068	11,899
Deferred government grant	14	-	29,658
Deferred revenue	18	583,852	621,651
		3,908,934	2,541,496
Non-Current Liabilities			
Lease liability	13	-	7,025
Term loans payable	14,15	3,392,646	2,785,454
Long-term note payable	19	481,227	261,761
Deferred tax liability	24	399,353	466,659
TOTAL LIABILITIES		8,182,160	6,062,395
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	16	3,951,162	3,951,162
Contributed surplus	16	6,543,083	6,543,083
Share based payment reserves	16	74,115	23,532
Equity portion of debt	15	686,607	635,797
Accumulated other comprehensive loss		(93,201)	(116,407)
Deficit		(8,796,827)	(7,326,452)
Equity attributable to shareholders of the Company		2,364,939	3,710,715
Non-controlling interest	20	1,320,645	1,347,652
TOTAL SHAREHOLDERS' EQUITY		3,685,584	5,058,367
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 11,867,744	$ 11,120,762
Nature of operations and going concern uncertainty	1		
Subsequent events	25		

Approved on behalf of the board

"Brian O'Neill"	*"Laurie Baggio"*
Brian O'Neill, Director	Laurie Baggio, Director

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Notes		Year ended July 31, 2022		2021
REVENUE					
Sales revenue	23	$	4,196,725	$	2,811,740
COST OF REVENUE					
Hosting charges and other			474,515		628,917
Gross Profit			**3,722,210**		**2,182,823**
EXPENSES					
Amortization	7,8,10		291,120		235,584
Management and consulting fees	17		320,933		261,799
Personnel			2,357,318		1,981,987
Professional fees	17		337,101		364,844
Office and administration	17		790,780		411,747
Regulatory and filing fees			43		1,192
Share-based payments	16		50,583		10,900
Foreign exchange			28,087		(89,689)
			4,175,965		3,178,364
Interest expense	13,14,15,17,19		639,135		487,266
Interest income			(25,474)		(24,983)
Impairment of goodwill	10		-		432,663
Loss on early debt repayment	15		50,892		-
Dividend income			-		(26,811)
Equity loss on investments	11		65,597		-
Gain on sale of investments	11		(70,863)		-
Recovery of a previously impaired investment	11		-		(407,349)
Gain on government grant	14		(34,539)		(362,861)
Fair value loss (gain) on investments	11		683,905		(97,106)
Fair value loss on purchase option	10		1,510		59,322
Other income			-		(100,000)
Gain on fair value of digital currencies			-		(23,747)
			1,310,163		(63,606)
Net loss for the year before tax			(1,763,918)		(931,935)
Deferred income tax recovery (expense)	24		297,794		(45,242)
Net loss for the year		**$**	**(1,466,124)**	**$**	**(977,177)**
Net income (loss) attributable to:					
Shareholders of the parent company		$	(1,470,375)	$	(831,051)
Non-controlling interest	20		4,251		(146,126)
		$	**(1,466,124)**	**$**	**(977,177)**
Other comprehensive income (loss):					
Foreign currency translation gain (loss) attributed to equity shareholders of the parent company		$	23,206	$	(86,005)
Foreign currency translation gain attributed to NCI	20		(31,258)		(125,725)
Comprehensive loss for the year		**$**	**(1,474,176)**	**$**	**(1,188,907)**
Loss per share					
Basic		**$**	**(0.08)**	**$**	**(0.12)**
Diluted		**$**	**(0.08)**	**$**	**(0.12)**
Weighted average number of common shares					
Basic			**17,740,019**		**9,584,971**
Diluted			**17,740,019**		**9,584,971**

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian dollars)

	Note	Share capital		Contributed surplus	Share based payment reserves	Equity portion of debt	Accumulated other comprehensive income (loss)	Deficit	Non-controlling interest	Total
		Number of shares	Amount							
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	16	-	-	-	10,900	-	-	-	-	10,900
Debt settlement for shares	16	3,784,761	1,135,441	-	-	-	-	-	-	1,135,441
Proceeds from issuance of units	16	7,597,334	2,279,200	-	-	-	-	-	-	2,279,200
Forgiveness of debt from Mobio Technologies Inc.		-	-	6,543,083	-	-	-	-	-	6,543,083
Equity portion of debt	15	-	-	-	-	469,814	-	-	-	469,814
Investment in subsidiary	4	-	-	-	-	-	-	(374,077)	374,077	-
Foreign currency translation		-	-	-	-	-	(86,005)	-	(125,725)	(211,730)
Net Income (loss) for the year	20	-	-	-	-	-	-	(831,051)	(146,126)	(977,177)
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	16	-	-	-	50,583	-	-	-	-	50,583
Equity portion of debt	15	-	-	-	-	50,810	-	-	-	50,810
Foreign currency translation		-	-	-	-	-	23,206	-	(31,258)	(8,052)
Net Income (loss) for the year	20	-	-	-	-	-	-	(1,470,375)	4,251	(1,466,124)
Balance at July 31, 2022		**17,740,019**	**$3,951,162**	**$ 6,543,083**	**$ 74,115**	**$ 686,607**	**$ (93,201)**	**$ (8,796,827)**	**$ 1,320,645**	**$ 3,685,584**

See accompanying notes to the consolidated financial statements.

PLANK VENTURES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	Note	Years ended July 31, 2022	2021
OPERATING ACTIVITIES			
Net loss for the year		$(1,466,124)	$ (977,177)
Items not affecting cash			
Amortization		291,120	235,584
Interest expense		638,525	487,266
Unrealized foreign exchange loss (gain)		3,254	(174,066)
Deferred income tax expense (recovery)		(297,794)	45,242
Share-based payments		50,583	10,900
Goodwill impairment		-	432,663
Gain on fair value of digital currencies		-	(23,747)
Gain on impaired investments		(39,290)	(345,101)
Fair value loss on purchase option		1,510	59,322
Gain on government grant		(34,539)	(89,936)
Loss on early loan repayment		50,892	-
Fair value loss (gain) on investments		683,905	(97,106)
Loss on equity investments		65,597	-
Accrued interest income		(10,015)	(19,693)
Net changes in non-cash working capital			
Accounts receivable		(66,329)	17,506
Restricted cash		(667,848)	(504,884)
Prepaid expenses		20,190	(76,114)
Deferred revenue		(55,857)	241,936
Accounts payable and accrued liabilities		1,086,570	(344,770)
Net cash provided by (used in) operating activities		254,350	(1,122,175)
INVESTING ACTIVITIES			
Acquisition of subsidiary		(1,238,688)	(333,725)
Acquisition of PP&E		(2,105)	-
Cash assumed from acquisition of subsidiary		50,585	825,272
Cash investments made		(845,000)	(599,877)
Proceeds from sale of cryptocurrency		-	39,442
Loan receivable made		(100,000)	(100,000)
Proceeds from loans receivable		114,505	577,936
Lease payments		(17,785)	(17,658)
Net cash provided by (used in) investing activities		(2,038,488)	391,390
FINANCING ACTIVITIES			
Proceeds from related party loans		1,300,000	1,453,540
Repayments of related party loans		(1,325,059)	-
Repayment of promissory note		(309,600)	-
Proceeds from issuance of common shares		-	2,279,200
Net cash provided by (used in) financing activities		(334,659)	3,732,740
NET CHANGE IN CASH		(2,118,797)	3,001,955
CASH, BEGINNING OF THE YEAR		3,613,916	611,961
CASH, END OF THE YEAR	5	$ 1,495,119	$ 3,613,916

See accompanying notes to the consolidated 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 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 area. The target investments are early-stage start-ups that already have developed a customer and revenue base and are seeking funding for expansion.

These consolidated financial statements have been prepared using the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. As at July 31, 2022, the Company accumulated deficit of $8,796,827.

The continuing operations of the Company are dependent upon its ability to develop profitable operations in the future, increasing the value of its investments, and raising adequate financing when necessary. As of July 31, 2022, the Company had a cash balance of $2,667,851 to settle current liabilities of $3,908,934. As of July 31, 2022, the Company had a working capital of $93,129. 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 the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

2. BASIS OF PRESENTATION

These consolidated financial statements were authorized for issue on November 28, 2022 by the Board of Directors of the Company.

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

Presentation Currency

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

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

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

2. BASIS OF PRESENTATION (CONT'D)

Use of Estimates and Judgments

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

The most significant judgement applied in the preparation of these consolidated financial statements relate to the carrying value of the Company's investments (Note 11) and the carrying value of goodwill and intangible assets (Note 10). 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 consolidated financial statements for the year ended July 31, 2022 and 2021. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into 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 judgements were used with respect to the determination of business combination, timing of revenue recognition, significant influence over investee, 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 consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Details of controlled subsidiaries are as follows:

		Percentage owned*	
	Country of incorporation	July 31, 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.

2. BASIS OF PRESENTATION (CONT'D)

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 4). 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 4).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The consolidated financial statements as at July 31, 2022 include the assets, liabilities, revenues and expenses of the Company's controlled subsidiaries. All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

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

Functional and Presentation Currency
The Company's and Exahash's functional currency and reporting currency is the Canadian dollar and transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated at reporting period rate of exchange. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical exchange rates. Revenue and expenses denominated in foreign currencies are translated at the annual average exchange rate. Gains and losses resulting from the translation adjustments are included in net income (loss).

The functional currency of Votigo, US Sweeps, and Promotion Activators is the US dollar. The assets and liabilities of Votigo, US Sweeps, and Promotion Activators included in these consolidated financial statements are translated from functional currency to the Company's presentation currency using the exchange rates at period end. Income, expenses, and cash flow items included in these consolidated financial statements are translated from functional currency to the Company's presentation currency using the exchange rate that approximates the exchange rates at the date of the transactions (i.e., the average rate for the period). The differences arising upon translation from

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

the functional currency to the reporting currency are recorded as foreign currency translation adjustment in the other comprehensive income and remain in the other comprehensive income until a subsidiary is partially or fully disposed of, or until the Company determines that it is abandoning all of the non-financial assets which are held by that subsidiary. Upon disposal, the corresponding foreign currency translation adjustment is removed from other comprehensive income as is recognized as realized foreign exchange gain or loss in net income.

Revenue Recognition

Revenue from contracts with customers is recognized according to the five-step process: when a contractual arrangement is in place, each performance obligation is identified, the fee is determined and allocated to each performance obligation, and the services have been provided to the customer. The Company derives revenue from the development, administration, and hosting of contests and sweepstakes on social media platforms. The Company's revenue recognition policy for these revenues is as follows:

(i) *Contest and One-Time Development* – revenue is recognized once the contest related services are performed as per contract specifications,
(ii) *Website Hosting and Contest Upkeep* – revenue is recognized evenly over the period of the contest,
(iii) *Fulfillment* – revenue is recognized when prize fulfillment is complete,
(iv) *Votigo Platform* – revenue is recognized evenly over the subscription period.

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

Intangible Assets and Goodwill

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

Amortization commences once the underlying asset is complete and put into use. Cost for intangible assets acquired in a business combination represents the fair value of the asset at the time of the acquisition. Intangible assets acquired consists mainly of brand names, online platform, customer relationships, and non-compete agreements. 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.

Goodwill is not amortized, but is reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may be impaired. Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to the Cash Generating Unit (CGU) or group of CGUs to which it relates.

Equipment

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

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are

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

charged to the consolidated statement of loss and comprehensive loss during the period in which they are incurred.

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

Depreciation is calculated on declining balance method whereby the depreciation rate is applied to the net book value of equipment. The depreciation rates applicable to each category of equipment are as follows:

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

Financial Instruments

(i) Classification

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

(ii) Measurement

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

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

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

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

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

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

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

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

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

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

As the options are exercised, the consideration paid, along with the amount previously recognized in share-based payment reserves, is recorded as an increase to share capital. For stock options which have expired or been forfeited, the amount previously recognized in share-based payments reserve is reclassified to deficit.

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

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income (loss) refers to items recognized in comprehensive income (loss) that are excluded from net income (loss). Other comprehensive income (loss) for the years ended July 31, 2022 and 2021 includes the foreign exchange gain for the translation of Votigo, US Sweeps, and Promotion Activator's financial statements, which are denominated in US dollars, to Canadian dollars being the reporting currency.

Income (Loss) per Share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted-average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. The method requires computation as if the proceeds from the exercisable options and warrants would be used to purchase common shares at the average market price during the period. When a loss is incurred during the reporting period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both the lessee and the lessor. It follows a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

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

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

For low value leases or leases with a term of less than twelve months, lease payments are recognized as an expense on a straight-line basis over the lease term.

Impairment of Non-Financial Assets

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

Impairment is determined by assessing if the carrying value of a CGU or group of CGUs, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell or the value in use. The Company identifies CGUs as identifiable groups of assets that are largely independent of the cash inflows from other assets or groups of assets. Value

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

in use calculations require estimations of discount rates and future cash flows derived from revenue growth, gross margin, and operating costs. Fair value less costs to sell calculations require the Company to estimate fair value of an asset or a CGU using market values of similar assets as well as estimations of the related costs to sell.

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

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

Loans

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

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

Income Taxes

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

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

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

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

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

Cash

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

Government Grant

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

4. ACQUISITION

(a) Votigo

On November 12, 2019, the Company acquired a 29.11% ownership interest in Votigo via the purchase of 834,349 Series A and 333,334 Series B Convertible Preferred Shares.

On October 29, 2020, the Company purchased an additional 777,777 Series B Shares. The Company is the only holder of Series B Shares. The holders of Series B Shares have certain protective provisions whereby Votigo must obtain the consent from a majority of the holders of Series B Shares prior to entering into certain transactions. 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 of July 31, 2021 and 2022, the Company owns 40.62% of Votigo's total outstanding issued shares and is the sole owner of Series B Shares. In accordance with IFRS 10, the Company has control over Votigo due to the special rights provided to holders of Series B Shares.

The investment in Votigo was accounted for as a business combination. In accordance with IFRS 3 "Business Combinations", the assets acquired, and liabilities assumed were 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 was recognized as goodwill.

The subsequent investment in 777,777 Series B Shares during the period ending October 31, 2020 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 20).

At July 31, 2022, the Company determined that there was no impairment to the carrying value of goodwill from the acquisition of Votigo (2021 – impairment of $432,663 was recognized in the consolidated statements of loss and comprehensive loss (Note 10)).

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

4. ACQUISITION (CONT'D)

(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 was 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.

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 19)		290,196
Long-term payable to shareholders of US Sweeps (Note 19)		252,344
		876,265
Net assets acquired:		
Cash		825,272
Accounts receivables		377,423
Prepaid expenses		1,335
Equipment		7,802
Intangible assets (Note 10)		614,054
Goodwill (Note 10)		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 (Note 10).

(c) Promotion Activators

On April 1, 2022, Votigo acquired 100% of Promotion Activators, a company in the sweepstakes and contest administration space, 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 each 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 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 were 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 10). Votigo is expecting to realize operational synergies from combining the operations of Votigo and Promotional Activators.

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

4. ACQUISITION (CONT'D)

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 19)		185,750
Long-term payable to shareholders of Promotion Activators (Note 19)		452,794
		1,877,232
Net assets acquired:		
Cash		50,585
Accounts receivables		81,972
Intangible assets (Note 10)		952,163
Goodwill (Note 10)		1,128,747
Deferred tax liability		(220,412)
Accounts payable and accrued liabilities		(115,823)
	$	1,877,232

Since the date of the acquisition and until July 31, 2022, Promotion Activators have generated revenues of $180,500 and net income of $7,362 which was included in the consolidated statement of income (loss) and comprehensive income (loss).

5. CASH

The Company's cash balances include amounts collected from customers by its subsidiaries (being Votigo, US Sweeps, and Promotion Activators) that are held for the purpose of prize and sweepstakes fulfilment.

	July 31, 2022	July 31, 2021
Cash	$ 1,495,119	$ 3,613,916
Restricted cash - prize fulfillment	1,172,732	504,884
	$ 2,667,851	**$ 4,118,800**

6. ACCOUNTS RECEIVABLE

	July 31, 2022	July 31, 2021
Trade and other receivables	$ 1,123,011	$ 949,351
GST recoverable	17,075	12,813
	$ 1,140,086	**$ 962,164**

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

7. 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		2,105		-
Effect of foreign exchange		104		68
Balance July 31, 2022	$	2,896	$	2,360
Amortization				
Balance July 31, 2020	$	584	$	-
Addition		4,479		690
Effect of foreign exchange		(4,377)		(760)
Balance July 31, 2021		687		(70)
Addition		410		2,405
Effect of foreign exchange		90		25
Balance July 31, 2022	$	1,187	$	2,360
Net book value				
Balance July 31, 2021	$	-	$	2,362
Balance July 31, 2022	**$**	**1,709**	**$**	**-**

8. 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. Fair value was determined by discounting future lease payments at a discount rate of 5% per annum.

The Company's right-of-use asset as at July 31, 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		(18,572)
Effect of foreign exchange		559
Balance, July 31, 2022	**$**	**7,917**

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

9. LOAN RECEIVABLE

On January 27, 2021, the Company loaned $100,000 to SiteMax Systems Inc. (Note 11). 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 11). 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 year ended July 31, 2022, the Company earned interest of $10,015 (July 31, 2021 - $13,851) on the loans. Subsequent to year end the loan was rolled into a new convertible promissory note (Note 25).

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

Balance, July 31, 2020	$	-
Loan advanced		100,000
Accrued interest		13,851
Balance, July 31, 2021		113,851
Loan advanced		100,000
Accrued interest		10,015
Loan repayment		(114,505)
Balance, July 31, 2022	**$**	**109,361**

10. 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 4). Amortization is calculated on a straight-line basis over their estimated useful lives of 10 years.

Intangible assets acquired during the year ended July 31, 2022 are related to the acquisition of Promotion Activators, and consist of brand names, customer relationships, and a non-compete agreement (Note 4). 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.

The Company performed its annual test for goodwill impairment as at July 31, 2022. The Company did so by comparing the carrying value of the cash generating units, being Votigo, US Sweeps, and Promotion Activators, against their value-in-use. The value-in-use of a cash-generating unit requires the use of assumptions. The calculation uses cash flow projections covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated terminal growth rate of 2% to 3%. The value-in-use calculation includes cash flows relating to working capital based on historical activity. Cash flows are discounted using after-tax discount rates of 16% to 20%. The value-in-use of the three cash generating units (above) was determined to be higher than their carrying amounts and therefore no impairment was recorded in fiscal 2022. For the year ended July 31, 2021, the Company recognized an impairment of $432,663 to the carrying value of goodwill recorded in acquisition of Votigo.

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

10. 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
Balance July 31, 2020	$	1,697,021	$	667,893	$	64,018	$	2,428,932
Acquired on acquisition of subsidiary (Note 4)		614,054		189,463		-		803,517
Fair value loss		-		-		(59,322)		(59,322)
Amortization		(219,094)		-		-		(219,094)
Goodwill impairment (Note 4)		-		(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
Acquired on acquisition of subsidiary (Note 4)		952,163		1,128,747		-		2,080,910
Fair value loss		-		-		(1,510)		(1,510)
Amortization		(269,733)		-		-		(269,733)
Effect of foreign exchange		77,613		38,634		27		116,274
Balance July 31, 2022	**$**	**2,711,099**	**$**	**1,528,425**	**$**	**-**	**$**	**4,239,524**

11. INVESTMENTS

<u>ThinkCX Technologies Inc. ("ThinkCX")</u>

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.

During the year ended July 31, 2022, the Company recorded a fair value gain of $35,345 (2021 – loss of $9,835) on its investment in ThinkCX.

<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.

11. INVESTMENTS (CONT'D)

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.

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.

As at July 31, 2022, the Company holds an aggregate of 1,364,594 Class 1 common shares (July 31, 2021 – 555,265 Class 1 common shares, 333,140 Series 1 seed preferred shares, and 476,189 Series 2 seed preferred shares) which represents 36.56% ownership interest. The Company determined that it does not have significant influence over SiteMax due to the fact that investee is controlled by its management who hold majority ownership of SiteMax.

During the year ended July 31, 2022, the Company recorded a fair value loss of $688,000 (2021 – gain of $188,123) on its investment in SiteMax.

<u>500 Startups Canada, L.P. ("500 Startups")</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.

During the year ended July 31, 2022, the Company recorded a fair value gain of $63,487 (2021 – gain of $158,500) on its investment in 500 Startups.

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

On March 5, 2021, the Company subscribed for 117,647 common shares of 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 July 31, 2022, the Company owns 317,647 Class A common shares of Creator. During the year ended July 31, 2022, the Company recorded a fair value loss of $52,000 (2021 – $Nil) on its investment.

<u>Investment in Karve IT Ltd. ("Karve")</u>

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 $280,000 to July 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.

On March 29, 2022, the Company 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 $100,000 to July 31, 2022).

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

11. INVESTMENTS (CONT'D)

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. As at July 31, 2022, the Company owns 310,000 shares of Karve, representing approximately 34.44% ownership of the investee.

For the year ended July 31, 2022, the Company recognized its share of Karve's net loss of $65,597 (2021 - $Nil) in the consolidated statements of loss and comprehensive loss.

Summarized financial information of Karve IT:

		July 31, 2022		December 31, 2021
Current assets	$	104,040	$	7,879
Non-current assets	$	304,161	$	347,543
Current liabilities	$	17,171	$	10,506
Non-current liabilities	$	125,000	$	-
Revenue	$	20,000	$	6,000
Net loss for the period	$	328,684	$	324,085
Net loss for the period attributable to Plank	$	65,597	$	-

<u>Investment in East Side Games Group ("ESGG"), formerly Leaf Mobile Inc. ("Leaf")</u>

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.

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

On March 14, 2022, the Company recognized a gain on investment of $70,863 as a result of receipt of $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 $39,290 measured based on the market price at the time.

As at July 31, 2022, the Company holds 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, 2022, the Company recognized a fair value loss of $218,177 (2021 – gain of $115,033) due to change in share price of ESGG and recognized a fair value gain of $134,680 (2021 – loss of $173,891) due to the DLOM discount in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

11. INVESTMENTS (CONT'D)

Investment in CodeZero Technologies Inc. ("CodeZero")

On September 15, 2021, the Company invested $300,000 in a convertible promissory note issued by CodeZero. The note was 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. As of the date of these consolidated financial statements, the Company is in negotiation with CodeZero with respect to repayment and conversion of the note.

As at July 31, 2022, 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 $304,933 using the appropriate market discount rate of 20%. The value of the equity component is calculated at $35,827 using a Black Scholes Option Pricing Model with the following assumptions: volatility of 12%, expected life of 0.29 years, risk-free interest rate of 3.16% and expected dividends of Nil.

During the year ended July 31, 2022, the Company recognized a fair value gain of $40,760 (2021 - $Nil) on the note.

Investment transactions for the year ended July 31, 2022 and 2021, are as follows:

Investments	Opening Balance	Purchases	Disposals	Recovery	Change in Fair Value	Equity Loss	Accrued Interest	Ending Balance
SiteMax	$ 1,718,000	$ 409,877	$ -	$ -	$ 188,123	$ -	$ -	$ 2,316,000
500 Startups	181,000	-	-	-	158,500	-	-	339,500
CodeZero	-	-	-	-	-	-	-	-
ThinkCX	409,939	-	(55,586)	-	(9,835)	-	5,482	350,000
Creator	-	100,000	-	-	-	-	-	100,000
Karve	-	90,000	-	-	-	-	-	90,000
ESGG	-	-	-	345,101	(58,858)	-	-	286,243
Sockeye Technologies Inc.	457,000	-	(276,535)	-	(180,824)	-	359	-
Balance July 31, 2021	2,765,939	599,877	(332,121)	345,101	97,106	-	5,841	3,481,743
SiteMax	2,316,000	-	-	-	(688,000)	-	-	1,628,000
500 Startups	339,500	-	-	-	63,487	-	-	402,987
CodeZero	-	300,000	-	-	40,760	-	-	340,760
ThinkCX	350,000	-	-	-	35,345	-	-	385,345
Creator	100,000	200,000	-	-	(52,000)	-	-	248,000
Karve	90,000	345,000	-	-	-	(65,597)	-	369,403
ESGG	286,243	-	-	39,290	(83,497)	-	-	242,036
Balance July 31, 2022	**$ 3,481,743**	**$ 845,000**	**$ -**	**$ 39,290**	**$ (683,905)**	**$ (65,597)**	**$ -**	**$ 3,616,531**

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2022	July 31, 2021
Payable to the shareholders of US Sweeps. (Note 19)	$ 309,806	$ 300,868
Payable to the shareholders of Promotion Activators (Note 19)	197,414	-
Accounts payable	378,125	268,219
Accrued liabilities	2,423,274	1,292,925
Total accounts payable and accrued liabilities	**$ 3,308,619**	**$ 1,862,012**

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

13. LEASE PAYABLE

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

The Company's lease liability as at July 31, 2022:

		July 31, 2022		July 31, 2021
Balance, opening	$	23,301	$	83,096
Reduction of lease value due to COVID-related discounts		-		(37,174)
Payments		(17,785)		(17,658)
Interest recorded		1,373		506
Effect of foreign exchange		506		(5,468)
Balance, ending	**$**	**7,395**	**$**	**23,301**

		July 31, 2022		July 31, 2021
Current portion	$	7,395	$	16,276
Long term portion		-		7,025
	$	**7,395**	**$**	**23,301**

14. GOVERNMENT GRANTS AND LOANS

On June 30, 2020 ("disbursement date"), the Company received a loan for gross proceeds of $204,420 (US$150,000) 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 US$786 will commence on December 1, 2022. 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 $159,057 is the value of the grant. During the year ended July 31, 2022, additional expenses were incurred for which the grant was intended to compensate; as a result, $34,539, was recognized as gain in the consolidated statements of loss and comprehensive loss (2021 - $89,936).

During the year ended July 31, 2022, the Company recorded interest and accretion of $8,495 on the loan (2021 - $10,239).

The balances of the EIDL loan outstanding are as follows:

		July 31, 2022		July 31, 2021
Beginning balance	$	56,393	$	49,882
Interest and accretion		8,495		10,239
Recalculation of present value of the loan		(4,384)		-
Effect of foreign exchange		1,861		(3,728)
EIDL Loan	**$**	**62,365**	**$**	**56,393**

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

14. GOVERNMENT GRANTS AND LOANS (CONT'D)

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

		July 31, 2022		July 31, 2021
Current portion	$	9,068	$	11,899
Long term portion		53,297		44,494
	$	**62,365**	**$**	**56,393**

The balances of the deferred government grant are as follows:

		July 31, 2022		July 31, 2021
Beginning balance	$	29,658	$	126,538
Gain on government grant		(34,539)		(89,936)
Recalculation of present value of the loan		4,384		-
Effect of foreign exchange		497		(6,944)
Deferred Government Grant ending balance	**$**	**-**	**$**	**29,658**

15. 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 of $57,836, determined by discounting the loan at an appropriate market rate of interest. 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 year ended July 31, 2022, the Company recorded $88,693 (2021 - $59,428) in interest and accretion on the loan (Note 17). The balance of the loan as of July 31, 2022, is $541,060.

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 of $108,147, determined by discounting the loan at an appropriate market rate of interest. 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 year ended July 31, 2022, the Company recorded $157,217 (2021 - $136,170) in interest and accretion on the loan (Note 17). The balance of the loan as of July 31, 2022, is $943,299.

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 unsecured and 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 year ended July 31, 2022, the Company recorded interest and accretion of $37,661 (2021 - $26,713) on the loan (Note 17). On July 14, 2022, the loan was repaid in full and as a result the Company recognized loss on early repayment of $9,601 in the consolidated statements of loss and comprehensive loss.

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

15. 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 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 year ended July 31, 2022, the Company recorded $97,275 in interest on the loan (2021 - $59,206) (Note 17). The balance of the loan as of July 31, 2022, is $593,420.

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 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 year ended July 31, 2022, the Company recorded $160,600 in interest and accretion on the loan (2021 - $115,146) (Note 17). On July 14, 2022, the loan was repaid in full and as a result the Company recognized loss on early repayment of $41,291 in the consolidated statements of loss and comprehensive loss.

On July 12, 2022, the Company received a loan in the amount of $1,300,000 from a company controlled by a significant shareholder. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest is due on December 31, 2022. The Company recognized an equity component of $50,810 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 year ended July 31, 2022, the Company recorded $12,380 (2021 - $Nil) in interest and accretion on the loan (Note 17). The balance of the loan as of July 31, 2022, is $1,261,570.

The loans are made up as follows:

	Liability component	Equity component
Balance, July 31, 2020	$ 2,587,636	$ 165,983
Increases net of equity portion	1,215,296	469,814
Decreases	(1,367,010)	-
Accrued interest and accretion	419,138	-
Effect of foreign exchange	(114,100)	-
Balance, July 31, 2021	2,740,960	635,797
Loans received net of equity portion	1,249,190	50,810
Repayments	(1,325,059)	-
Loss on early repayments	50,892	-
Accrued interest and accretion (Note 17)	553,826	-
Effect of foreign exchange	69,540	-
Balance, July 31, 2022	**$ 3,339,349**	**$ 686,607**

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

16. SHARE CAPITAL

Authorized:
Unlimited number of common shares without par value.

Issued:
As at July 31, 2022, the Company had 17,740,019 common shares issued and outstanding (July 31, 2021 – 17,740,019), out of which 8,764,068 are held in escrow with 2,191,017 shares to be released on January 2, 2023 and same amount every 6 months after until July 2, 2024.

On December 31, 2020, the Company converted a loan from a company controlled by a director of a related company and converted a loan from a company controlled by an officer for a total of $1,135,441 into 3,784,761 common shares.

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.

As at July 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 July 31, 2022	**3,798,667**

Outstanding (#)	Exercisable (#)	Exercise Price ($)	Remaining Life (Years)	Expiry Date
590,000	590,000	0.35	0.68	April 5, 2023
3,208,667	3,208,667	0.35	0.90	June 24, 2023
3,798,667	**3,798,667**	**0.35**	**0.86**	

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

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

16. SHARE CAPITAL (CONT'D)

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 $216,178 using the Black-Scholes option pricing model with the following assumptions: volatility of 120%, 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 $50,583 were recorded for the vesting of the options for the year ended July 31, 2022 (2021 – $10,900).

Stock options transactions are as follows:

	Number of Options		Weighted Average Exercise Price
Balance, July 31, 2020	**50,000**	**$**	**0.60**
Issued	-		-
Balance, July 31, 2021	50,000		0.60
Issued	1,212,500		0.23
Balance, July 31, 2022	**1,262,500**	**$**	**0.24**

Stock options outstanding as at July 31, 2022 are as follows:

Outstanding (#)	Exercisable (#)	Exercise Price ($)	Remaining Life (Years)	Expiry Date
50,000	33,938	0.60	7.29	November 12, 2029
1,212,500	-	0.23	9.71	April 14, 2032
1,262,500	**33,938**	**0.24**	**9.62**	

17. RELATED PARTY TRANSACTIONS

Interest and accretion recorded on related party loans 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 were as $553,826 during the year ended July 31, 2022 (2021 - $419,139).

During the years ended July 31, 2022 and 2021, fees charged by key management and directors were as follows:

Year ended		July 31, 2022		July 31, 2021
Fees accrued for a company controlled by the CEO	$	133,933	$	120,000
Fees accrued for a company controlled by the CFO		6,300		-
Fees paid to a company controlled by the CFO		25,575		78,885
Fees paid to a company controlled by the CEO		214,418		93,423
Total	$	380,226	$	292,308

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

17. RELATED PARTY TRANSACTIONS (CONT'D)

Out of the total:

$320,875 is included in management and consulting fees (2021 - $261,799)

$52,427 is included in professional fees (2021 - $15,923)

$6,924 is included in office and administration and regulatory and filling fees (2021 - $14,586)

In addition, stock-based compensation of $50,583 (2021 - $10,900) was earned by key management and directors.

Included in accounts payable and accrued liabilities is an amount of $351,239 (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.

18. DEFERRED REVENUE

The continuity of deferred revenue is as follows:

Balance, July 31, 2020	$	203,507
Acquisition of US Sweeps (Note 4)		176,208
Additions		2,571,750
Revenue recognized		(2,362,620)
Effect of foreign exchange		32,806
Balance, July 31, 2021		621,651
Additions		3,738,390
Revenue recognized		(3,794,246)
Effect of foreign exchange		18,058
Balance, July 31, 2022	**$**	**583,852**

19. 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 4). 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 4). 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%.

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

19. PROMISSORY NOTE AND DEFERRED PAYMENTS (CONT'D)

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

		July 31, 2022
Balance, July 31, 2020	$	-
Fair value of short-term promissory note (Note 4)		290,196
Loan accretion		30,618
Effect of foreign exchange		(19,946)
Balance, July 31, 2021 (Note 12)		300,868
Fair value of short-term promissory note (Note 4)		185,750
Loan accretion		48,389
Effect of foreign exchange		12,356
Loan repayment		(309,600)
Transferred from long-term payable		269,457
Balance, July 31, 2022 (Note 12)	**$**	**507,220**

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

		July 31, 2022
Balance, July 31, 2020	$	-
Fair value of long-term promissory note (Note 4)		252,344
Loan accretion		26,764
Effect of foreign exchange		(17,347)
Balance, July 31, 2021		261,761
Fair value of long-term promissory note (Note 4)		452,794
Loan accretion		26,442
Effect of foreign exchange		9,687
Transferred to short-term payable		(269,457)
Balance, July 31, 2022	**$**	**481,227**

20. NON-CONTROLLING INTEREST

Balance as at July 31, 2020	$	1,245,426
Change of ownership interest (Note 4)		374,077
Share of net loss		(146,126)
Effect of foreign exchange		(125,725)
Balance as at July 31, 2021		1,347,652
Share of net loss		4,251
Effect of foreign exchange		(31,258)
Balance ending July 31, 2022	**$**	**1,320,645**

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

20. NON-CONTROLLING INTEREST (CONT'D)

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

	July 31, 2022	July 31, 2021
Current:	$	$
Assets	3,652,600	3,040,901
Liabilities	(4,075,684)	(2,170,250)
Total current net assets	(423,084)	870,651
Non current:		
Assets	2,576,033	778,417
Liabilities	(922,655)	(475,327)
Total non-current net assets	1,653,378	303,090
Total net assets	$ 1,230,294	$ 1,173,741

The following is a summarized consolidated statement of comprehensive income (loss) of Votigo, US Sweeps, and Promotion Activators for the years ended July 31, 2022 and 2021:

	July 31, 2022	July 31, 2021
Revenue	$ 4,196,725	$ 2,811,740
Net income (loss) and comprehensive income (loss)	$ (27,007)	$ (271,851)

21. 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.

22. 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 July 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 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.

22. 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 July 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 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 as of July 31, 2022, the Company believes that its receivables are collectable and management has determined that the credit risk is low. Credit risk of cash is low as cash balances are held at a reputable financial institutions.

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

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

22. FINANCIAL INSTRUMENTS (CONT'D)

foreign currency fluctuations on its US dollar denominated financial instruments. As at July 31, 2022, the Company had US dollar denominated cash of US$6,955 (July 31, 2021 – US$7,168), and loans payable of US$700,000 (July 31, 2021 – US$1,400,000). As at July 31, 2022, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net income by approximately $46,820 (2021 – $38,000).

23. SEGMENT INFORMATION

During the period ended July 31, 2022 and 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 year ended July 31, 2022:

		Canada		USA		Total
Revenue	$	-	$	4,196,725	$	4,196,725
Depreciation	$	-	$	291,120	$	291,120
Interest expense	$	553,826	$	85,309	$	639,135
Fair value loss on investments	$	683,905	$	-	$	683,905
Net income (loss)	$	(1,646,727)	$	180,603	$	(1,466,124)
Current Assets	$	349,463	$	3,652,600	$	4,002,063
Non current assets	$	5,384,838	$	2,480,843	$	7,865,681
Non-controlling interest	$	-	$	1,320,645	$	1,320,645

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

(Expressed in Canadian Dollars for years ended July 31, 2022 and 2021)

24. INCOME TAXES

A reconciliation of the calculated income taxes for the fiscal years ended July 31, 2022 and 2021 are as follows:

		July 31, 2022		July 31, 2021
Combined federal and provincial statutory income tax rate		27.04%		25.87%
Accounting loss before income taxes	$	(1,763,918)	$	(931,935)
Expected income tax recovery at statutory rates		(475,436)		(241,073)
Non-deductible expenditures		173,380		177,949
Other		(72,527)		536,391
Change in valuation		76,788		(428,025)
Deferred Income tax expense (recovery)	$	(297,794)	$	45,242

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

		July 31, 2022		July 31, 2021
Non-capital losses	$	3,535,235	$	1,459,638
Goodwill		39,486		-
Investments		(473,390)		(1,496,409)
Other deductible temporary differences		412,356		348,127
		3,513,688		308,356
Tax benefits not recognized		(3,402,336)		(308,356)
Deferred tax liability related to intangible assets		(399,353)		(466,659)
Balance	$	(399,353)	$	(466,659)

As at July 31, 2022, the Company has $3,513,688 tax loss carry-forward that it can apply against income in future years.

25. SUBSEQUENT EVENTS

On August 30th, 2022, the Company invested $300,000 in Creator in the form of a convertible promissory note carrying 10% annual interest rate upon closing. The principal and interest on the loan is due on August 30, 2023. Upon maturity, the loan is convertible into common shares of Creator at the election of the holder. In addition to the convertible promissory note, the Company is entitled to 100,000 share purchase warrants for the subscription price of $100 where each warrant provides the Company the right to purchase 1 Class A Common Share of Creator at $0.50 per Warrant Share for a period of two years from the date of issuance.

On September 2, 2022, the Company received a loan in the amount of $600,000 from a company controlled by a significant shareholder. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest is due on December 31, 2022.

On September 2, 2022, the Company received a loan in the amount of $100,000 from a company controlled by an officer. The loan is unsecured and bears interest at 10% per annum. Principal and any unpaid interest is due on December 31, 2022.

On October 27, 2022, the Company made a $177,200 CAD investment in SiteMax in the form of a convertible promissory note. The note carries a simple interest rate of 8% per annum and matures

25. SUBSEQUENT EVENTS (CONT'D)

two years from initial closing on October 27, 2024. Interest accrued is due and payable annually on the anniversary date. The note is secured by the general security agreement against the assets of SiteMax. The Company will provide the investment amount of via termination of two previously outstanding loans receivable: the $100,000 CAD loan initiated on March 16, 2022, and $60,000 CAD loan initiated on September 29, 2022, plus accrued interest.