HeyBryan Media Inc.

Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
HeyBryan Media Inc.

Opinion

We have audited the accompanying consolidated financial statements of HeyBryan Media Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 Consolidated 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 consolidated 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $4,662,929 during the year ended December 31, 2019 and, as of that date, the Company's total deficit was $6,481,602. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 auditor’s 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 consolidated 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 Grant P. Block.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

June 15, 2020

HeyBryan Media Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2019 $	December 31, 2018 $
ASSETS		
Current assets		
Cash	**201,583**	105,706
Amounts receivable (Note 4)	**124,162**	72,353
Prepaid expenses (Note 5, 9 and 18)	**221,209**	97,662
Total current assets	**546,954**	275,721
Property and equipment (Note 6)	**19,625**	1,241
Intangible assets (Note 7)	**3,773,063**	4,682,345
Total assets	**4,339,642**	4,959,307
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 9 and 18)	**379,962**	846,007
Due to related parties (Note 9)	**2,310**	3,843
Lease liability (Note 11)	**8,264**	–
Convertible debentures (Note 12)	**373,727**	–
Total liabilities	**764,263**	849,850
SHAREHOLDERS EQUITY		
Share capital (Note 13)	**8,516,946**	5,133,490
Equity reserves	**1,540,035**	792,140
Subscription received	–	2,500
Deficit	**(6,481,602)**	(1,818,673)
Total shareholders' equity	**3,575,379**	4,109,457
Total liabilities and shareholders' equity	**4,339,642**	4,959,307

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 21)

Approved and authorized for issuance on behalf of the Board of Directors on June 15, 2020:

/s/ "Rita Thiel"
Rita Thiel, Director

/s/ "Lianne Hannaway"
Lianne Hannaway, Director

The accompanying notes are an integral part of these consolidated financial statements.

HeyBryan Media Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended December 31, 2019 $	2018 $
Revenue	**17,748**	519
Expenses		
Advertising and promotion	**379,740**	61,605
Amortization of intangible assets (Note 7)	**420,563**	–
Consulting fees (Note 9 and 18)	**1,177,801**	1,213,059
Depreciation (Note 6)	**28,444**	–
General and administrative (Note 12)	**177,882**	34,600
Professional fees	**342,078**	132,707
Rent	**16,343**	9,945
Royalties (Note 18)	**104,033**	6,530
Salaries and wages (Note 9)	**639,581**	–
Share-based compensation (Note 15)	**557,847**	229,353
Travel	**36,365**	8,372
Total expenses	**(3,880,677)**	(1,696,171)
Other expenses		
Impairment of intangible assets (Note 7)	**(800,000)**	–
Loss on settlement of debt (Note 9 and 13)	**–**	(59,130)
Total other expenses	**(800,000)**	(59,130)
Net loss and comprehensive loss for the year	**(4,662,929)**	(1,754,782)
Loss per share, basic and diluted	**(0.07)**	(0.06)
Weighted average shares outstanding	**64,114,645**	29,397,982

The accompanying notes are an integral part of these consolidated financial statements.

HeyBryan Media Inc.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian Dollars)

	Share capital		Equity reserves	Subscriptions received	Deficit	Total shareholders' equity (deficit)
	Number of shares	Amount $	$	$	$	$
Balance, December 31, 2017	7,500,000	37,500	–	–	(63,891)	(26,391)
Issuance of units for cash	22,092,200	2,411,800	–	–	–	2,411,800
Share issuance costs	–	(28,310)	3,558	–	–	(24,752)
Issuance of units for settlement of debt	13,500,000	312,500	59,130	–	–	371,630
Issuance of units for acquisition of Fasttask Inc.	1,200,000	300,000	65,230	–	–	365,230
Issuance of units for acquisition of HeyBryan Inc.	8,000,000	2,000,000	434,869	–	–	2,434,869
Issuance of units for finders' fee	5,000,000	100,000	–	–	–	100,000
Share-based compensation	–	–	229,353	–	–	229,353
Subscriptions received	–	–	–	2,500	–	2,500
Net loss for the year	–	–	–	–	(1,754,782)	(1,754,782)
Balance, December 31, 2018	57,292,200	5,133,490	792,140	2,500	(1,818,673)	4,109,457
Issuance of units for cash	11,469,983	3,285,295	–	(2,500)	–	3,282,795
Share issuance costs	–	(531,839)	180,788	–	–	(351,051)
Issuance of units for settlement of debt	2,520,000	630,000	–	–	–	630,000
Issuance of convertible debentures	–	–	9,260	–	–	9,260
Share-based compensation	–	–	557,847	–	–	557,847
Net loss for the year	–	–	–	–	(4,662,929)	(4,662,929)
Balance, December 31, 2019	71,282,183	8,516,946	1,540,035	–	(6,481,602)	3,575,379

The accompanying notes are an integral part of these consolidated financial statements.

HeyBryan Media Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, **2019** **$**	2018 $
Operating activities		
Net loss for the year	**(4,662,929)**	(1,754,782)
Items not involving cash:		
Accretion of discount on convertible debentures	**27,987**	–
Amortization of intangible assets	**420,563**	–
Depreciation	**28,444**	–
Impairment of intangible assets	**800,000**	–
Interest expense on lease liability	**816**	–
Loss on settlement of debt	**–**	59,130
Share-based compensation	**557,847**	229,353
Changes in non-cash operating working capital:		
Amounts receivable	**(51,809)**	(62,194)
Prepaid expenses	**(123,547)**	(72,262)
Accounts payable and accrued liabilities	**193,111**	665,797
Due to related parties	**(1,533)**	387,682
Net cash used in operating activities	**(2,811,050)**	(547,276)
Investing activities		
Acquisition-related costs	–	(31,994)
Cash acquired on acquisition of Fasttask Inc.	–	26,241
Cash paid on acquisition of HeyBryan Inc.	–	(1,000,000)
Development expenditures incurred on HeyBryan app	**(340,437)**	(179,532)
Loans provided to Fasttask Inc. prior to acquisition	–	(550,000)
Purchase of equipment	**(11,605)**	(1,241)
Net cash used in investing activities	**(352,042)**	(1,736,526)
Financing activities		
Bank indebtedness	–	(40)
Net proceeds from the issuance of units	**2,931,744**	2,387,048
Subscriptions received	–	2,500
Net proceeds from the issuance of convertible debentures	**355,000**	–
Proceeds from loans payable	**55,000**	–
Repayment of loans payable	**(55,000)**	–
Proceeds from related party loans	**98,000**	–
Repayment of related party loans	**(98,000)**	–
Repayment of lease liability	**(27,775)**	–
Net cash provided by financing activities	**3,258,969**	2,389,508
Change in cash	**95,877**	105,706
Cash, beginning of year	**105,706**	–
Cash, end of year	**201,583**	105,706

Supplemental cash flow disclosures (Note 19)

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations and Continuance of Business

Fasttask Technologies Inc. (the "Company") was incorporated under the laws of the province of British Columbia, Canada, on December 3, 2010. On May 18, 2017, the Company changed its name from Morvin Holdings Inc. to Sativio Holdings Inc. On June 28, 2018, the Company changed its name from Sativio Holding Inc. to HeyBryan Media Inc. On July 11, 2018, the Company changed its name from HeyBryan Media Inc. to Fasttask Technologies Inc. On October 18, 2018, the Company changed its name from Fasttask Technologies Inc. to HeyBryan Media Inc. The address of the Company's corporate office and principal place of business is Suite 200, 1238 Homer Street, Vancouver B.C., V6B 2Y5.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company has incurred a net loss of $4,662,929 during the year ended December 31, 2019, and has incurred an accumulated deficit of $6,481,602 as at December 31, 2019. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. Basis of Presentation

a) Statement of Compliance

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

b) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

c) Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company, HeyBryan Inc. and Fasttask Inc. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated upon consolidation.

2. Basis of Presentation (continued)

d) Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the collectability of amounts receivable, the useful lives and carrying values of property and equipment and intangible assets, the measurement of share-based compensation, the fair value of warrants issued as compensation, and the measurement of unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors that are used in determining the application of the going concern assumption which requires management to take into account all available information about the future, which is at least but not limited to, 12 months from the year end of the reporting period.

3. Significant Accounting Policies

a) Cash

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

b) Foreign Currency Translation

The Company's functional currency and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of loss and comprehensive loss.

c) Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, due to related parties, and convertible debentures.

The Company follows the requirements of IFRS 9, *Financial Instruments*. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

(i) Classification and subsequent measurement

The following table shows the classification of financial assets and liabilities:

Financial assets/liabilities	Classification
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost
Due to related parties	Amortized cost

3. Significant Accounting Policies (continued)

c) Financial Instruments (continued)

(i) Classification and subsequent measurement (continued)

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

- Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of loss and comprehensive loss.
- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of loss and comprehensive loss. Any gain or loss on derecognition is recognized in the statement of loss and comprehensive loss.
- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of loss and comprehensive loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of loss and comprehensive loss.
- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of loss and comprehensive loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to the statement of loss and comprehensive loss.

3. Significant Accounting Policies (continued)

c) Financial Instruments (continued)

(i) Classification and subsequent measurement (continued)

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of loss and comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of loss and comprehensive loss. Any gain or loss on derecognition is also recognized in the statement of loss and comprehensive loss.

(ii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

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 its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of loss and comprehensive loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Impairment

Financial assets and contract assets

The Company recognizes loss allowances for expected credit losses (“ECLs”) on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets (as defined in IFRS 15).

3. Significant Accounting Policies (continued)

c) Financial Instruments (continued)

(iv) Impairment (continued)

The Company measures loss allowances on amounts receivable at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL's that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

3. Significant Accounting Policies (continued)

c) Financial Instruments (continued)

(iv) Impairment (continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

d) Equipment

Equipment consists of telephone equipment and office furniture and equipment and is recorded at cost. The Company depreciates the cost of equipment over their estimated useful life of 3 years using the straight-line basis.

e) Intangible assets

Intangible assets consist of intellectual property acquired upon acquisition of HeyBryan Inc. and the HeyBryan application acquired upon acquisition of Fasttask Inc. The intellectual property has an indefinite life and is not subject to amortization. The HeyBryan application has an estimated useful life of 3 years and will be amortized over that period once the application is ready for its intended use. The expenditures incurred to develop the intangible asset are capitalized if they meet the following recognition criteria: i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; ii) its intention to complete the intangible asset and use or sell it; iii) its ability to use or sell the intangible asset; iv) how the intangible asset will generate probable future economic benefits; v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and vi) its ability to measure reliably the expenditures attributable to the intangible asset during its development; otherwise they are expensed as incurred.

f) Impairment of non-financial assets

At each reporting period, the Company assesses whether there are indicators of impairment for its non-financial assets, including intangible assets. If indicators exist, the Company determines if the recoverable amount of the asset or cash generating unit ("CGU") is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in profit or loss. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm's length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in profit or loss. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

3. Significant Accounting Policies (continued)

g) Share capital

The Company uses the residual value method with respect to the measurement of common shares and share purchase warrants issued as units. The proceeds from the issue of units is allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market value on the date of the announcement of the placement and the balance, if any, is allocated to the attached warrants.

h) Revenue recognition

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. The Company principally generates revenue as follows:

- 7.5% on all transactions booked by customers through the HeyBryan application;
- 20% on all transactions from HeyBryan Home-Service Experts; and
- In-app and website advertising.

Revenue from transactions booked through the HeyBryan application, and HeyBryan Home-Service Experts are recognized in revenue at the transaction value, net of fees collected through the application on behalf of the third-party experts, when the service has been completed. In-app and website advertising is recognized as the advertising is provided.

i) Share-based payments

Compensation expense attributable to share-based awards to employees is measured at the fair value at the date of grant using the Black-Scholes Option Pricing Model, and is recognized over the period that the employee becomes unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value, under the Black-Scholes model, takes into account a number of variables, including the exercise price of the award, the expected dividend rate, the expected life of the options, forfeiture rate and the risk-free interest rate.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in option reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in option reserve is credited to share capital, adjusted for any consideration paid.

3. Significant Accounting Policies (continued)

j) Leases

The Company has adopted new accounting standard IFRS 16, *Leases*, effective for annual periods beginning on January 1, 2019. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

IFRS 16, *Leases* ("IFRS 16")

On January 13, 2016, the IASB published a new standard, IFRS 16, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. Effective January 1, 2019, the Company adopted this standard using the modified retrospective approach under which the cumulative effect of initial application was recognized in deficit at January 1, 2019. The Company did not have any lease contracts at January 1, 2019. As a result, there was no impact of the initial adoption of IFRS 16.

For contracts entered into subsequent to January 1, 2019, at inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*. This replaced the previous requirement to recognize a provision for onerous lease contacts.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of loss and comprehensive loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low value assets, and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

The Company discounts its lease liability at the Company's incremental borrowing rate.

k) Loss Per Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding incentive stock options and their equivalents is reflected in the diluted loss per share by application of the treasury stock method.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

l) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of loss.

m) Income Taxes

Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current.

n) Recently Adopted Accounting Standards

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Amounts Receivable

	December 31, 2019 $	December 31, 2018 $
Trade receivable	6,148	108
GST receivable	118,014	72,245
	124,162	72,353

5. Prepaid Expenses

	December 31, 2019 $	December 31, 2018 $
Prepaid services	175,255	82,262
Deposits	45,954	15,400
	221,209	97,662

(Expressed in Canadian Dollars)

6. Property and Equipment

Equipment is comprised of the following:

	Telephone equipment $	Office furniture & equipment $	Right-of-use asset $	Total $
Cost				
Balance at December 31, 2017	–	–	–	–
Additions	1,241	–	–	1,241
Balance at December 31, 2018	1,241	–	–	1,241
Additions	–	11,605	35,223	46,828
Balance at December 31, 2019	1,241	11,605	35,223	48,069
Depreciation and impairment losses				
Balance at December 31, 2017 and 2018	–	–	–	–
Additions	414	936	27,094	28,444
Balance at December 31, 2019	414	936	27,094	28,444
Carrying amounts				
Balance at December 31, 2018	1,241	–	–	1,241
Balance at December 31, 2019	827	10,669	8,129	19,625

7. Intangible Assets

Intangible assets and deferred development costs are comprised of the following:

	HeyBryan application $	Intellectual property $	Total $
Cost			
Balance at December 31, 2017	–	–	–
Acquired intangible assets	840,364	3,611,387	4,451,751
Development expenditures	230,594	–	230,594
Balance at December 31, 2018	1,070,958	3,611,387	4,682,345
Development expenditures	311,281	–	311,281
Balance at December 31, 2019	1,382,239	3,611,387	4,993,626
Depreciation and impairment losses			
Balance at December 31, 2017 and 2018	–	–	–
Additions	420,563	–	420,563
Impairment	–	800,000	800,000
Balance at December 31, 2019	420,563	800,000	1,220,563
Carrying amounts			
Balance at December 31, 2018	1,070,958	3,611,387	4,682,345
Balance at December 31, 2019	961,676	2,811,387	3,773,063

During the year ended December 31, 2019, the Company recognized impairment of its intellectual property of $800,000 due to a change in its estimated value in use.

(Expressed in Canadian Dollars)

8. Acquisition of HeyBryan Inc. and Fasttask Inc.

On September 28, 2018, the Company closed a Share Purchase Agreement (the "Agreement") to acquire HeyBryan Inc. ("HBI") and Fasttask Inc. ("Fasttask"), private companies incorporated in British Columbia, Canada (the "Transaction"). Fasttask is a developer of mobile applications for the home improvement industry, and HBI licenses intellectual property related to the HeyBryan app from Fasttask and receives endorsement benefits and intellectual property rights from Baeumler Productions Inc. and Bryan Baeumler pursuant to an Endorsement Agreement. Under the terms of the Agreement, the Company acquired all of the issued and outstanding common shares of Fasttask for 1,200,000 units, and all of the issued and outstanding common shares of HBI for $1,000,000 in cash and 8,000,000 units. Each unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to acquire an additional common share at $1.00 per share for a period of 2 years from closing.

In connection with the transaction, the Company advanced 5,000,000 units to Howe and Bay Financial Corp. as a finder's fee on June 27, 2018. At the time of issuance, the units had a fair value of $100,000. Each unit consisted of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire an additional common share at $1.50 per share for a period of 2 years from the date of issuance. The fair value of the warrants attached to the units on the date of issuance was nominal. In addition, the Company incurred legal costs of $31,994 related to the transaction. The transaction costs have been allocated on a pro-rata basis between the two transactions based on the consideration paid.

Also, pursuant to the transaction, the Company entered into a Conditional Purchase Price Agreement, whereby the Company agreed to pay an additional $200,000 and issue 1,600,000 consideration units if the Company's common shares are not listed on the Canadian Stock Exchange or another Canadian stock exchange prior to the date that is 6 months from the later of: (i) the closing date of the Agreement, and (ii) the receipt of the financial statements of HBI and Fasttask. Subsequent to the year ended December 31, 2019, issued 4,000,000 to satisfy the $200,000 obligation and issued 1,600,000 consideration units pursuant to the Conditional Purchase Price Agreement (Note 21(d)).

<u>HBI Acquisition</u>

The acquisition of the HBI shares has been accounted for as an asset acquisition as, at the time of the transaction, HBI did not meet the definition of a business. The consideration paid has been allocated to the intangible asset as at the date of acquisition. The purchase price of the acquisition has been allocated as follows:

Purchase price	$
Cash	1,000,000
Fair value of common shares issued	2,000,000
Fair value of warrants issued as acquisition costs	434,869
Transaction costs	120,903
	3,555,772

Net assets acquired	$
Amounts receivable	28
Intangible assets	3,611,387
Accounts payable and accrued liabilities	(55,065)
Due to related parties	(578)
	3,555,772

(Expressed in Canadian Dollars)

8. Acquisition of HeyBryan Inc. and Fasttask Inc. (continued)

Fasttask Acquisition

The acquisition of the Fasttask shares has been accounted for as an asset acquisition as, at the time of the transaction, Fasttask did not meet the definition of a business. The consideration paid has been allocated to the intangible asset at the date of acquisition. The purchase price of the acquisition has been allocated as follows:

Purchase price	$
Fair value of common shares issued	300,000
Fair value of warrants issued as acquisition costs	65,230
Transaction costs	11,091
	376,321

Net assets acquired	$
Cash	26,241
Amounts receivable	10,131
Prepaid expenses	25,400
Due from related parties	98,268
Intangible assets	840,364
Accounts payable and accrued liabilities	(74,083)
Promissory notes payable	(550,000)
	376,321

9. Related Party Transactions

a) During the year ended December 31, 2019, the Company incurred salary and wages of $137,500 (2018 - $nil) to the Chief Executive Officer ("CEO") of the Company. As at December 31, 2019, the Company owed $2,310 (2018 - $3,563) to the CEO of the Company, and former owner of HBI and Fasttask, for loans provided to the Company and for expenses paid on behalf of the Company. The balance is unsecured, non-interest bearing and due on demand.

b) During the year ended December 31, 2019, the Company incurred consulting fees of $nil (2018 - $112,500) to a Director and former President and CEO of the Company. As at December 31, 2019, the Company owed $Nil (2018 - $280) to the Director and former President and CEO of the Company for loans provided to the Company. The balance is unsecured, non-interest bearing and due on demand.

c) During the year ended December 31, 2019, the Company incurred consulting fees of $9,600 (2018 - $4,800) to a Director of the Company pursuant to a Director Agreement. At December 31, 2019, the Company has prepaid director's fees of $4,800 (2018 - $4,800).

d) During the year ended December 31, 2019, the Company incurred salaries and wages of $100,000 (2018 - $nil) to the Chief Technology Officer ("CTO") of the Company.

e) During the year ended December 31, 2019, the Company incurred development costs of $311,281 (2018 - $230,594), rent expense of $nil (2018 - $1,250) and consulting fees of $309,189 (2018 - $480,323) to an affiliated company. As at December 31, 2019, the Company owed $29,777 (2018 - $220,760) to the affiliated company, which is included in accounts payable and accrued liabilities. In addition, as at December 31, 2019, the Company has paid a deposit of $10,000 (2018 - $10,000) to the affiliated company, which is included in prepaid expenses.

f) During the year ended December 31, 2019, the Company incurred share-based compensation of $178,537 (2018 - $103,941) to officers and directors of the Company.

(Expressed in Canadian Dollars)

10. Loans Payable

a) On August 26, 2019, the Company received a loan of $45,000 from a third party, which was unsecured, non-interest bearing and due on demand. The loan was repaid prior to December 31, 2019.

b) On September 24, 2019, the Company received a loan of $10,500 from a third party, which was unsecured, non-interest bearing and due on demand. The loan was repaid prior to December 31, 2019.

11. Lease Liability

On March 1, 2019, the Company entered into a lease for the provision of office space from March 1, 2019 to March 31, 2020.

	$
Lease obligation as of March 1, 2019	36,107
Discounted using the incremental borrowing rate	(885)
Lease liability recognized as of March 1, 2019	35,222
Less: lease payments	(27,774)
Interest expense	816
Lease liability recognized as of December 31, 2019	8,264

The lease liability was discounted using the Company's incremental borrowing rate of 5%.

The Company's future minimum lease payments for the premise lease is as follows:

	$
Fiscal year ending December 31, 2020	8,332
Total lease payments	8,332
Amounts representing interest over the term of the lease	(68)
Present value of net lease payments	8,264

12. Convertible Debentures

a) On June 19, 2019, the Company entered into Convertible Debenture Purchase Agreements for a total principal amount of $110,000. The principal bears interest at 12% per annum and matures 12 months from the date of issuance of the debentures. The Company received proceeds of $105,000, net of debt financing costs of $5,000. Until the principal and interest are paid in full by the Company, the holder may convert any amount of the principal amount and accrued interest into units of the Company at $0.25 per unit. Each unit consists of one common share of the Company and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years following the issuance of the warrant. The holder shall convert a minimum of $10,000 of the principal amount, unless there is less than $10,000 of the principal amount outstanding.

The present value of the convertible debentures at issuance was $107,131, with the residual value of $2,869 being allocated to the equity component. The debt financing costs were allocated between the liability and equity component on a proportional basis, resulting an initial discount of $7,739, which will be recognized over the term of the loan using the effective interest rate method, and $2,739 related to the equity component, which was recognized in equity reserves.

During the year ended December 31, 2019, the Company recorded accretion interest of $10,665, which is included in general and administrative expenses, increasing the carrying value of the convertible debts to $112,926.

12. Convertible Debentures (continued)

b) On July 4, 2019, the Company entered into a Convertible Debenture Purchase Agreement for a total of $250,000. The principal bears interest at 12% per annum and matures 12 months from the date of issuance of the debenture. Until the principal and interest are paid in full by the Company, the holder may convert any amount of the principal amount and accrued interest into units of the Company at $0.25 per unit. Each unit consists of one common share of the Company and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years following the issuance of the warrant. The holder shall convert a minimum of $10,000 of the principal amount, unless there is less than $10,000 of the principal amount outstanding.

The present value of the convertible debenture at issuance was $243,478, with the residual value of $6,522 being allocated to the equity component.

During the year ended December 31, 2019, the Company recorded accretion interest of $17,322, which is included in general and administrative expenses, increasing the carrying value of the convertible debts to $260,801.

13. Share Capital

Authorized: Unlimited number of common shares without par value

a) On April 30, 2018, the Company issued 12,500,000 units with a fair value of $0.005 per unit to settle debt of $62,500. Each unit consisted of one common share and one-half of a share purchase warrant, in which one whole warrant is exercisable at $1.50 per share for a period of 3 years. The fair value of the warrants attached to the units on the date of issuance was nominal.

b) On June 26, 2018, the Company issued 5,000,000 units at $0.02 per unit for proceeds of $100,000. Each unit consisted of one common share and one-half of a share purchase warrant, in which one whole warrant is exercisable at $1.50 per share for a period of 2 years. There was no value attributed to the warrant component of the unit offering.

c) On June 27, 2018, the Company issued 5,000,000 units with a fair value of $0.02 per unit as finder's fees related to the acquisition of HBI and Fasttask (Note 8). Each unit consisted of one common share and one-half of a share purchase warrant, in which one whole warrant is exercisable at $1.50 per share for a period of 2 years. The fair value of the warrants attached to the units on the date of issuance was nominal.

d) On July 27, 2018, the Company issued 8,540,000 units at $0.10 per unit for proceeds of $854,000. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.75 per share for a period of 2 years. There was no value attributed to the warrant component of the unit offering.

e) On August 31, 2018, the Company issued 4,535,000 units at $0.10 per unit for proceeds of $453,500. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.75 per share for a period of 2 years. There was no value attributed to the warrant component of the unit offering.

f) On September 26, 2018, the Company issued 1,978,000 units at $0.25 per unit for proceeds of $494,500. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years. There was no value attributed to the warrant component of the unit offering.

g) On September 28, 2018, the Company issued 8,000,000 units pursuant to the acquisition of HBI (Note 8). Each unit consisted of one common share and one share purchase warrant which is exercisable at $1.00 per share for a period of 2 years. The fair value of the shares and share purchase warrants was $2,000,000 and $434,869, respectively. The fair value of the share purchase warrants was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 2.21%, dividend yield – 0%, expected volatility – 100%, expected life – 2 years, forfeiture rate – 0%.

13. Share Capital (continued)

j) On September 28, 2018, the Company issued 1,200,000 units pursuant to the acquisition of Fasttask (Note 8). Each unit consisted of one common share and one share purchase warrant, which is exercisable at $1.00 per share for a period of 2 years. The fair value of the shares and share purchase warrants was $300,000 and $65,230, respectively. The fair value of the share purchase warrants was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 2.21%, dividend yield – 0%, expected volatility – 100%, expected life – 2 years, forfeiture rate – 0%.

k) On October 17, 2018, the Company issued 940,000 units at $0.25 per unit for proceeds of $235,000. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years. There was no value attributed to the warrant component of the unit offering.

h) On November 23, 2018, the Company issued 443,200 units at $0.25 per unit for proceeds of $110,800. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years. There was no value attributed to the warrant component of the unit offering.

l) On December 17, 2018, the Company issued 656,000 units at $0.25 per unit for proceeds of $164,000. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years. In connection with the issuance, the Company paid a finder's fee of $16,400 and issued 65,600 brokers warrants with a fair value of $3,558, which are exercisable at $0.90 per share for a period of 2 years. The fair value of the broker warrants was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 1.98%, dividend yield – 0%, expected volatility – 100%, expected life – 2 years, forfeiture rate – 0%. There was no value attributed to the warrant component of the unit offering.

m) On December 21, 2018, the Company issued 1,000,000 units, consisting of 1,000,000 shares with a fair value of $250,000 and 1,000,000 share purchase warrants with a fair value of $59,130, to settle debt of $250,000 owing to an affiliated company, resulting in a loss on settlement of debt of $59,130. Each share purchase warrant is exercisable at $0.90 per share for a period of 2 years. The fair value of the share purchase warrants was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 1.93%, dividend yield – 0%, expected volatility – 100%, expected life – 2 years, forfeiture rate – 0%.

n) During the year ended December 31, 2018, the Company incurred legal fees of $8,352 related to the issuance of units, which have been recognized as share issuance costs.

i) On February 15, 2019, the Company issued 262,000 units at $0.25 per unit for proceeds of $65,500. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years. There was no value attributed to the warrant component of the unit offering. In connection with the issuance, the Company issued 25,200 brokers warrants, which are exercisable at $1.00 for a period of 2 years and paid a finder's fee of $6,300 in cash. The broker's warrants had a fair value of $1,362, which was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 1.78%, dividend yield – 0%, expected volatility – 100%, expected life – 2 years, forfeiture rate – 0%.

j) On February 26, 2019, the Company issued 2,852,000 units at $0.25 per unit for proceeds of $713,000. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years. There was no value attributed to the warrant component of the unit offering.

k) On February 26, 2019, the Company issued 2,520,000 units with a fair value of $630,000 to settle debt of $630,000 owing to an advisor. Each unit consisted of one common share and one share purchase warrant, which is exercisable at $0.90 per share for a period of 2 years.

(Expressed in Canadian Dollars)

13. Share Capital (continued)

l) On October 2, 2019, the Company issued 8,355,983 units at $0.30 per unit for proceeds of $2,506,795. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.50 until December 2, 2019, and at $1.00 thereafter until October 2, 2021. The Company paid a cash commission of $250,679, a corporate finance fee of $40,000, other share issuance costs of $54,072 and granted 835,598 agent's compensation options. Each compensation option entitles the holder to purchase a unit at a price of $0.30 per unit until October 2, 2021. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant exercisable at $0.50 until October 2, 2021. The agent's compensation options had a fair value of $179,426, which was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 1.49%, dividend yield – 0%, expected volatility – 150%, expected life – 2 years, forfeiture rate – 0%.

14. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, December 31, 2017	3,750,000	1.50
Issued	38,607,800	1.05
Balance, December 31, 2018	42,357,800	1.09
Issued	14,015,183	0.96
Balance, December 31, 2019	56,372,983	1.06

As at December 31, 2019, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
2,500,000	1.50	June 26, 2020
2,500,000	1.50	June 27, 2020
8,540,000	0.75	July 27, 2020
4,535,000	0.75	August 31, 2020
1,978,000	0.90	September 26, 2020
9,200,000	1.00	September 28, 2020
940,000	0.90	October 17, 2020
3,750,000	1.50	October 31, 2020
443,200	0.90	November 23, 2020
721,600	0.90	December 17, 2020
1,000,000	0.90	December 21, 2020
262,000	0.90	February 15, 2021
25,200	1.00	February 15, 2021
5,372,000	0.90	February 26, 2021
6,250,000	1.50	April 30, 2021
8,355,983	1.00	October 2, 2021
56,372,983		

(Expressed in Canadian Dollars)

15. Stock Options

The Company's Board of Directors approved a stock incentive plan in accordance with the policies of the Canadian Securities Exchange (the "Exchange"). The Board of Directors is authorized to grant options to directors, officers, consultants or employees to acquire up to 20% of the issued and outstanding common shares of the Company. The exercise price will not be less than $0.10 per share and the market price of the common shares on the trading day immediately preceding the date of the grant, less applicable discounts permitted by the Exchange. The options that may be granted under this plan must be exercisable for over a period of not exceeding 5 years.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, December 31, 2017	–	–
Granted	2,300,000	0.10
Cancelled	(300,000)	0.10
Outstanding, December 31, 2018	2,000,000	0.10
Granted	2,100,000	0.20
Cancelled	(20,000)	0.15
Outstanding, December 31, 2019	4,080,000	0.15
Exercisable, December 31, 2019	3,560,000	0.14

Additional information regarding stock options outstanding as at December 31, 2019, is as follows:

Exercise price $	Stock options outstanding	Stock options exercisable	Expiry date
0.25	1,000,000	750,000	March 31, 2021
0.10	500,000	500,000	July 23, 2023
0.10	1,400,000	1,400,000	September 28, 2023
0.15*	100,000	100,000	December 21, 2023
0.15	1,080,000	810,000	February 6, 2024
	4,080,000	3,560,000	

* On February 6, 2019, the Company amended the exercise price from $0.25 per share to $0.15 per share. Upon modification of the stock option terms, the Company recognized additional share-based compensation of $544.

The weighted average remaining life of options outstanding is 3.19 years.

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the year ended December 31, 2019, the Company recognized share-based compensation expense of $557,847 (2018 - $229,353) in equity reserves, of which $178,537 (2018 - $103,941) pertains to directors, officers and a significant shareholder of the Company. The weighted average fair value of options granted during the year ended December 31, 2019 was $0.20 (2018 - $0.23) per share.

(Expressed in Canadian Dollars)

15. Stock Options (continued)

Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	2019	2018
Risk-free interest rate	1.55%	2.24%
Dividend yield	0%	0%
Expected volatility	150%	150%
Expected life (years)	5	5
Forfeiture rate	0%	0%

As at December 31, 2019, there was $14,993 (2018 - $179,965) of unrecognized share-based compensation related to unvested stock options.

16. Financial Instruments and Risks

a) Fair Value

The fair value of the Company’s cash, amounts receivable, accounts payable and accrued liabilities, and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

The Company does not carry any financial instruments at FVTPL.

b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

17. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, share capital, and accumulated deficit.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2019. The Company is not subject to externally imposed capital requirements.

18. Commitments

a) On June 1, 2018, the Company entered into an Endorsement and License Agreement (the "Agreement"), whereby the Company receives endorsement benefits and intellectual property rights from Baeumler Productions Inc. and Bryan Baeumler. Pursuant to the Agreement, the Company is required to pay a royalty equal to the greater of 2.5% of gross bookings through the HeyBryan application, and 1/3 of the total trust and support fees charged to users by the Company. The Company also agreed to pay a minimum royalty of $26,117 during the first 12-month period following October 1, 2018, and $337,778 during the second and third 12-month periods following October 1, 2018. During each 12-month period thereafter, the minimum royalty amount must be mutually agreed upon by the parties and shall in no event be less than $337,778. The Company will accrue the minimum royalty related to the first 12-month period, as it does not expect to generate sufficient gross bookings during this period which would result in the royalties being greater than the minimum royalty. On May 8, 2019, the Company entered into an amendment to the Agreement, whereby the royalty payments for the first 12-month period following October 1, 2018 would be deferred until October 1, 2019. At December 31, 2019, the Company has accrued $110,563 (2018 - $6,530) of royalties, which is included in accounts payable and accrued liabilities.

b) On February 1, 2019, the Company entered into a Strategic Advisory Agreement with Cor Capital Inc. ("Cor Capital") to assist in its capital market and business development initiatives. Under the Strategic Advisory Agreement, Cor Capital agreed to provide information, introductions to institutional investors and advice with respect to capital structure and financing in preparation for and in connection with the Company's initial public offering (the "Services"). Cor Capital began providing the Services as of July 1, 2018. Under the Strategic Advisory Agreement, the Company agreed to pay a fee of $600,000 plus $30,000 on account of GST for the Services rendered from July 1, 2018 to February 1, 2019 payable by the issuance of 2,520,000 units, such units valued at $0.25 per unit and each consisting of one common share and one common share purchase warrant exercisable at a price of $0.90 per common share for a period of 24 months from the date of issuance. The Company also agreed to grant 1,000,000 options to Cor Capital within 30 days of the Strategic Advisory Agreement. Such options have been granted with an exercise price of $0.25 for a period of 24 months from the date of issuance. Further, in the event Cor Capital introduces the Company to investors who subscribe for securities in the Company (a "Private Placement") after February 1, 2019, the Company agreed to pay Cor Capital for the introduction, an additional consulting fee in cash equal to 10% of the gross proceeds to the Company of the Private Placement. At December 31, 2019, the Company has accrued consulting fees of $nil (2018 – $514,286) for Cor Capital related to the Strategic Advisory Agreement.

c) On August 15, 2019, the Company entered into a six month contract with CHF Capital Markets. The contract may be extended on a month to month basis and can be cancelled with two months notice. Under the terms of the agreement the Company will pay the consultant $6,000 per month.

(Expressed in Canadian Dollars)

18. Commitments (continued)

d) On October 8, 2019, the Company entered into a lease agreement for office space located in Vancouver, BC (the "Property"). The lease is for a 3 year term, commencing on January 1, 2020 and expiring on December 31, 2023. The base rent due under the lease agreement is $4,565 per month and the lease requires a rent deposit of $22,116, which is included in prepaid expenses and deposits.

19. Supplemental cash flow disclosures

	2019	2018
Supplemental cash flow disclosures:		
Interest paid	**–**	–
Income taxes paid	**–**	–
Non-cash investing and financing activities:		
Acquisition of right-of-use asset	**35,223**	–
Units issued for settlement of debt	**630,000**	371,630
Units issued for acquisition of Fasttask Inc.	**–**	300,000
Units issued for acquisition of HeyBryan Inc.	**–**	2,000,000
Units issued for finder's fee	**–**	100,000
Fair value of broker warrants	**180,788**	3,558
Fair value of warrants issued on asset acquisitions	**–**	500,099
Development expenditures incurred on HeyBryan App included in accounts payable and accrued liabilities	**21,906**	51,062

20. Income Taxes

A reconciliation of income taxes at statutory rates with reported taxes is as follows.

	2019 $	2018 $
Net loss for the year	**(4,662,929)**	(1,754,782)
Statutory income tax rate	**27%**	12%
Income tax recovery at statutory rate	**(695,000)**	(211,000)
Change in statutory, foreign tax, foreign exchange rates and other	**(391,000)**	(224,000)
Share issuance costs	**(52,000)**	(3,000)
Permanent differences	**266,000**	35,000
Change in unrecognized deferred income tax assets	**872,000**	403,000
Income tax provision (recovery)	**–**	–

The significant components of deferred income tax assets and liabilities as at December 31, 2019, and 2018, are as follows:

	2019 $	2018 $
Deferred income tax assets		
Non-capital losses carried forward	**1,210,000**	415,000
Property and equipment	**2,000**	–
Undeducted share issuance costs	**80,000**	5,000
Total gross deferred income tax assets	**1,292,000**	420,000
Unrecognized deferred income tax assets	**(1,292,000)**	(420,000)
Net deferred income tax assets	**–**	–

(Expressed in Canadian Dollars)

20. **Income Taxes** (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	2019 $	**Expiry Date Range**	**2018 $**	**Expiry Date Range**
Temporary Differences				
Property and equipment	6,000	No expiry date	–	No expiry date
Share issuance costs	296,000	2040 to 2043	20,000	2038 to 2041
Non-capital losses available for future periods	4,909,000	2035 to 2039	1,535,000	2036 to 2038

Tax attributes are subject to review, and potential adjustment, by tax authorities.

21. Subsequent Events

a) On February 14, 2020, the Company issued 2,729,591 units to settle $250,000 of convertible debt and $17,500 of interest pursuant to the convertible debenture dated June 19, 2019 (Note 12(a)). Each unit consisted of one common share and one common share purchase warrant exercisable at $0.12 per share for a period of 24 months.

b) On February 26, 2020, the Company issued a total of 3,827,900 units at $0.085 per unit pursuant to the first tranche of a private placement, of which 572,012 units were issued to settle aggregate debt of $48,621, for gross proceeds of $276,750. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.12 per share for 24 months.

c) On March 31, 2020, the Company issued a total of 10,249,586 units at $0.05 per unit pursuant to the second tranche of a private placement, of which 5,250,000 units were issued to settle aggregate debt of $262,500, for gross proceeds of $249,979. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.075 per share for 24 months. In connection with the private placement, the Company paid a finders' fee of $16,498 and issued 329,959 brokers' warrants, which have the same terms as the warrants included in the private placement.

d) On May 7, 2020, the Company issued 1,600,000 consideration units pursuant to a Conditional Purchase Price Agreement with HBI and Fasttask (Note 8). Each consideration unit consists of one common share and one common share purchase warrant exercisable at $1.00 per share until September 28, 2020. The Company also issued 4,000,000 units in order to satisfy the $200,000 obligation due under the agreement. Each unit consists of one common share and one common share purchase warrant exercisable at $0.075 per share until May 7, 2022.

e) On May 7, 2020, the Company issued a total of 748,195 units to settle debt of $37,410. Each unit consists of one common share and one common share purchase warrant exercisable at $0.075 per share until May 7, 2022.