HEYBRYAN MEDIA INC.

Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim consolidated financial statements of HeyBryan Media Inc. ("the Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the condensed interim consolidated financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

HeyBryan Media Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	September 30, 2020 $	December 31, 2019 $
ASSETS		
Current assets		
Cash	**83,860**	201,583
Amounts receivable (Note 4)	**34,259**	124,162
Prepaid expenses (Note 5, 8 and 9)	**23,479**	221,209
Total current assets	**141,598**	546,954
Property and equipment (Note 6)	**124,732**	19,625
Intangible assets (Note 7)	**3,417,505**	3,773,063
Total assets	**3,683,835**	4,339,642
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**770,865**	379,962
Due to related parties (Note 8)	**2,310**	2,310
Lease liability (Note 9)	**64,029**	8,264
Convertible debentures (Note 10)	**112,435**	373,727
Total current liabilities	**949,639**	764,263
Lease liability (Note 9)	**66,002**	–
Total liabilities	**1,015,641**	764,263
SHAREHOLDERS EQUITY		
Share capital (Note 11)	**9,903,768**	8,516,946
Equity reserves	**1,776,429**	1,540,035
Deficit	**(9,012,003)**	(6,481,602)
Total shareholders' equity	**2,668,194**	3,575,379
Total liabilities and shareholders' equity	**3,683,835**	4,339,642

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 17)

Approved and authorized for issuance on behalf of the Board of Directors on November 30, 2020:

/s/ "Spiros Margaris"	/s/ "Angelo Rajasooria"
Spiros Margaris, Director	Angelo Rajasooria, Director

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

HeyBryan Media Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Revenue	**4,855**	6,984	**15,368**	11,616
Expenses				
Advertising and promotion	**22,561**	125,725	**285,068**	209,387
Amortization of intangible assets (Note 7)	**125,185**	108,646	**355,558**	305,377
Consulting fees (Note 8 and 16)	**42,401**	183,662	**447,514**	691,057
Depreciation (Note 6)	**14,000**	8,512	**50,032**	19,931
General and administrative (Note 10)	**33,899**	36,061	**164,370**	95,068
Professional fees	**60,122**	80,578	**89,324**	225,915
Rent	**7,497**	3,334	**25,822**	13,008
Royalties (Note 16)	**84,444**	6,529	**253,332**	19,588
Salaries and wages (Note 8)	**49,843**	172,013	**371,158**	389,082
Share-based compensation (Note 8 and 13)	**101,085**	105,475	**53,914**	491,490
Travel	**27**	6,292	**5,757**	24,717
Total expenses	**541,064**	836,827	**2,101,849**	2,484,620
Other income (expenses)				
Gain on modification of convertible debentures (Note 10)	**7,819**	–	**7,819**	–
Loss on settlement of debt (Note 10)	**–**	–	**(171,739)**	–
Transaction costs (Note 16)	**–**	–	**(280,000)**	–
Total other income (expenses)	**7,819**	–	**(443,920)**	–
Net loss and comprehensive loss for the period	**(528,390)**	(829,843)	**(2,530,401)**	(2,473,004)
Loss per share, basic and diluted	**(0.01)**	(0.01)	**(0.03)**	(0.04)
Weighted average shares outstanding	**94,437,000**	62,926,200	**83,441,000**	61,760,427

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

	Share capital		Equity	Subscriptions		Total shareholders'
	Number of shares	Amount $	reserves $	received $	Deficit $	equity (deficit) $
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	3,114,000	778,500	–	(2,500)	–	776,000
Share issuance costs	–	(7,662)	1,362	–	–	(6,300)
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	–	–	491,490	–	–	491,490
Net loss for the period	–	–	–	–	(2,473,004)	(2,473,004)
Balance, September 30, 2019	62,926,200	6,534,328	1,294,252	–	(4,291,677)	3,536,903
Balance, December 31, 2019	71,282,183	8,516,946	1,540,035	–	(6,481,602)	3,575,379
Issuance of units for cash	8,827,486	575,351	–	–	–	575,351
Share issuance costs	–	(35,939)	10,741	–	–	(25,198)
Issuance of units for settlement of debt	8,727,786	567,410	171,739	–	–	739,149
Issuance of units for transaction costs (Note 16)	5,600,000	280,000	–	–	–	280,000
Share-based compensation	–	–	53,914	–	–	53,914
Net loss for the period	–	–	–	–	(2,530,401)	(2,530,401)
Balance, September 30, 2020	94,437,455	9,903,768	1,776,429	–	(9,012,003)	2,668,194

HeyBryan Media Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Nine months ended September 30, 2020 $	Nine months ended September 30, 2019 $
Operating activities:		
Net loss for the period	**(2,530,401)**	(2,473,004)
Items not involving cash:		
Accretion of discount on convertible debentures	**14,027**	13,829
Amortization of intangible assets	**355,558**	305,377
Depreciation	**50,033**	19,931
Gain on modification of convertible debentures	**(7,819)**	–
Interest expense on lease liability	**4,550**	645
Loss on settlement of debt	**171,739**	–
Share-based compensation	**53,914**	491,490
Changes in non-cash operating working capital:		
Amounts receivable	**89,903**	(103,533)
Prepaid expenses	**197,730**	26,096
Accounts payable and accrued liabilities	**992,719**	514,396
Due to related parties	–	(1,533)
Net cash used in operating activities	**(608,047)**	(1,206,306)
Investing activities:		
Development expenditures incurred on HeyBryan app	**(21,906)**	(109,250)
Purchase of equipment	**(2,203)**	(3,369)
Net cash used in investing activities	**(24,109)**	(112,619)
Financing activities:		
Net proceeds from the issuance of units	**550,153**	769,700
Net proceeds from the issuance of convertible debentures	–	355,000
Proceeds from advance received	–	55,500
Proceeds from related party loans	–	98,000
Repayment of related party loans	–	(45,000)
Repayment of lease liability	**(35,720)**	(19,443)
Net cash provided by financing activities	**514,433**	1,213,757
Change in cash	**(117,723)**	(105,168)
Cash, beginning of period	**201,583**	105,706
Cash, end of period	**83,860**	538
Supplemental disclosures:		
Interest paid	**7,522**	–
Income taxes paid	–	–
Non-cash investing and financing activities:		
Acquisition of right-of-use asset	**152,937**	35,222
Units issued for settlement of debt	**739,149**	630,000
Fair value of broker warrants	**10,741**	1,362
Development expenditures incurred on HeyBryan App included in accounts payable and accrued liabilities	–	231,188

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

1. Nature of Operations and Continuance of Business

HeyBryan Media 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 3363 Mathers Avenue, West Vancouver, B.C.

In November 2020, the Company implemented a significant change in its management and the board of directors. The CEO and director of the Company, the CFO, and three independent directors resigned from their positions of the Company. New CEO, CFO and two independent directors were appointed. In November 2020, the Company also entered into a settlement agreement with Baeumler Productions Inc. and Bryan Baeumler to terminate the endorsement agreement with the Company. The Company is engaged in a process to redevelop its business model and go forward strategies.

These condensed interim 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 $2,530,401 during the nine months ended September 30, 2020 and has incurred an accumulated deficit of $9,012,003 as at September 30, 2020. 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 condensed interim 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, and created uncertainty regarding potential impacts to the Company's supply chain, operations and the ability to services its customers. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. As a result of the pandemic, the Company experienced delays in certain planned product launches. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company, and is working on alternative measures and resources to minimize such impact. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time on its business, liquidity, capital resources and financial results.

2. Basis of Presentation

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting*, and based on the principles of 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").

These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2019, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

b) Basis of Presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim 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 condensed interim 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.

d) Significant Accounting Estimates and Judgments

The preparation of these condensed interim 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 condensed interim consolidated 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 end of the reporting period.

(Expressed in Canadian Dollars)

3. 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

	September 30, 2020 $	December 31, 2019 $
Trade receivable	972	6,148
GST receivable	33,287	118,014
	34,259	124,162

5. Prepaid Expenses

	September 30, 2020 $	December 31, 2019 $
Prepaid services	5,680	175,255
Deposits	17,799	45,954
	23,479	221,209

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, 2019	1,241	11,605	35,223	48,069
Additions	–	2,203	152,937	155,140
Reclassification upon expiration of lease term	–	–	(35,223)	(35,223)
Balance at September 30, 2020	1,241	13,808	152,937	167,986
Depreciation and impairment losses				
Balance at December 31, 2019	414	936	27,094	28,444
Additions	310	3,359	46,364	50,033
Reclassification upon expiration of lease term	–	–	(35,223)	(35,223)
Balance at September 30, 2020	724	4,295	38,235	43,254
Carrying amounts				
Balance at December 31, 2019	827	10,669	8,129	19,625
Balance at September 30, 2020	517	9,513	114,702	124,732

(Expressed in Canadian Dollars)

7. Intangible Assets

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

	HeyBryan application $	Intellectual property $	Total $
Cost			
Balance at December 31, 2019	1,382,239	3,611,387	4,993,626
Development expenditures	–	–	–
Balance at September 30, 2020	1,382,239	3,611,387	4,993,626
Amortization and impairment losses			
Balance at December 31, 2019	420,563	800,000	1,220,563
Additions	355,558	–	355,558
Balance at September 30, 2020	776,121	800,000	1,576,121
Carrying amounts			
Balance at December 31, 2019	961,676	2,811,387	3,773,063
Balance at September 30, 2020	606,118	2,811,387	3,417,505

8. Related Party Transactions

a) During the nine months ended September 30, 2020, the Company incurred salary and wages of $101,406 (2019 - $96,250) to the Chief Executive Officer ("CEO") of the Company. As at September 30, 2020, the Company owed $2,310 (December 31, 2019 - $2,310) 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 nine months ended September 30, 2020, the Company incurred consulting fees of $53,500 (2019 - $nil) to the Chief Financial Officer ("CFO") of the Company. As at September 30, 2020, the Company owed $28,600 (December 31, 2019 - $nil) to the CFO of the Company. The balance is unsecured, non-interest bearing and due on demand.

c) During the nine months ended September 30, 2020, the Company incurred consulting fees of $7,200 (2019 - $7,200) to a Director of the Company pursuant to a Director Agreement. At September 30, 2020, the Company has prepaid director's fees of $nil (December 31, 2019 - $4,800). As at September 30, 2020, the Company owed $5,145 (December 31, 2019 - $nil) to the Director of the Company. The balance is unsecured, non-interest bearing and due on demand.

d) During the nine months ended September 30, 2020, the Company incurred salaries and wages of $73,750 (2019 - $70,000) to the Chief Technology Officer ("CTO") of the Company.

e) During the nine months ended September 30, 2020, the Company incurred salaries and wages of $60,833 (2019 - $nil) to the spouse of the CEO of the Company.

(Expressed in Canadian Dollars)

8. Related Party Transactions (continued)

f) During the nine months ended September 30, 2020, the Company incurred development costs of $nil (2019 - $289,376) and consulting fees of $nil (2019 - $291,570) to an affiliated company. As at September 30, 2020, the Company owed $nil (December 31, 2019 - $29,777) to the affiliated company, which is included in accounts payable and accrued liabilities. In addition, as at September 30, 2020, the Company has paid a deposit of $10,000 (December 31, 2019 - $10,000) to the affiliated company, which is included in prepaid expenses.

g) During the nine months ended September 30, 2020, the Company incurred share-based compensation of $95,916 (2019 - $152,482) to officers and directors of the Company.

h) On May 7, 2020, the Company issued 1,600,000 consideration units pursuant to a Conditional Purchase Price Agreement with HBI and Fasttask. 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. Of these securities issued, 1,131,533 units, including 1,131,533 shares and 1,131,533 warrants were issued to Lance Montgomery, the Company's CEO and President and a Director.

i) On July 7, 2020, the Company granted 8,550,000 options pursuant to the Company's stock option plan to officers, directors and employees at an exercise price of $0.06 per share, exercisable for 2 years. Of the options granted, 2,500,000 options were granted to Lance Montgomery, the Company's CEO and President and a Director at the time, 750,000 options were granted to Melissa Montgomery, an employee of the Company at the time and the spouse of Lance Montgomery, the Company's CEO and President at the time, 2,500,000 to Blair Jordan, the Company's CFO at the time, 200,000 to Rita Theil, a director of the Company at the time, 100,000 to Spiros Margaris, a director of the Company, 150,000 to Lianne Hannaway, a director of the company at the time, 100,000 to Michael Stulp, a director of the Company at the time, and 1,500,000 to Nevin Petersen, the CTO of the Company at the time.

9. 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. 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, 2022. The base rent due under the lease agreement is $4,565 per month. As at September 30, 2020, the Company has paid a deposit on the Property of $nil (December 31, 2019 - $22,116), which is included in prepaid expenses and deposits.

	$
Lease obligation as of December 31, 2019	8,264
New lease obligation as of January 1, 2020	164,327
Discounted using the incremental borrowing rate	(11,390)
Lease liability recognized as of January 1, 2020	161,201
Less: lease payments	(35,720)
Interest expense	4,550
Lease liability recognized as of September 30, 2020	130,031

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

(Expressed in Canadian Dollars)

9. Lease Liability (continued)

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

	$
Fiscal year ending December 31, 2020	27,388
Fiscal year ending December 31, 2021	54,776
Fiscal year ending December 31, 2022	54,776
Total lease payments	136,940
Amounts representing interest over the term of the lease	(6,909)
Present value of net lease payments	130,031

10. 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.

On August 10, 2020, the Company amended and restated the Convertible Debenture Purchase Agreements. The Company paid $7,522 of accrued interest and converted the remaining accrued interest to principal for a total principal amount of $117,522. The principal bears interest at 12% per annum and matures 15 months from the date of restatement of the debentures. Interest payments are due quarterly until the maturity date with additional 2% late payment penalty if interest payments are not made within 10 days of the due date. The amended conversion price is either: (i) 10% discount to the price at which the Company's common shares are issued or the conversion price of securities convertible into common shares ("Securities") that are issued under the first sale of common shares or Securities by the Company to one or more non-related parties conducted by the Company after the restatement date ("Financing") or (ii) 10% discount to the trading price of the Company's common shares in the event a Financing has not been completed by the Company prior to a proposed conversion. Until the principal and interest are paid in full by the Company, the holder may convert a minimum of $10,000 amount of the principal amount into units of the Company at the amended conversion price. Each unit consists of one common share of the Company and one-half share purchase warrant, which is exercisable at the price at which the Company's common shares are issued or the conversion price of Securities that are issued under Financing per share for a period of 2 years following the issuance of the warrant. The Company recognized a gain of $7,819 (2019 - $nil) due to the modification of convertible debentures.

10. Convertible Debentures (continued)

The present value of the convertible debentures upon restatement was $109,703, with an initial discount of $7,819, which will be recognized over the term of the loan using the effective interest rate method. During the nine months ended September 30, 2020, the Company recorded accretion interest of $14,849 (2019 - $5,506), which is included in general and administrative expenses. As at September 30, 2020, the carrying value of the convertible debts was $112,435 (December 31, 2019 – $112,926).

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.

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. 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. The revised conversion terms represent an inducement to the holder to convert the convertible debenture. As a result, the Company recognized the difference between the fair value of the consideration the holder received on conversion under the revised terms and the fair value of the consideration the holder would have received under the original terms of $171,739 as a loss on settlement of debt.

During the nine months ended September 30, 2020, the Company recorded accretion interest of $6,699 (2019 - $8,323), which is included in general and administrative expenses.

11. Share Capital

Authorized: Unlimited number of common shares without par value

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 10(b)). 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. In connection with the issuance, the Company recognized the incremental fair value of the revised conversion terms of $171,739 in equity reserves.

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 cash 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.

(Expressed in Canadian Dollars)

11. **Share Capital** (continued)

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 cash 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, incurred other issuance costs of $8,700 and issued 329,959 brokers' warrants, which have the same terms as the warrants included in the private placement. The brokers' warrants had a fair value of $10,741, which was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate –0.42%, dividend yield – 0%, expected volatility –150%, expected life – 2 years, forfeiture rate – 0%.

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 16(c)). Each consideration unit consisted 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 to satisfy the $200,000 obligation due under the agreement. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.075 per share until May 7, 2022. Of these securities issued, 1,131,533 number of units including 1,131,533 shares and 1,131,533 warrants were issued to Lance Montgomery, the Company's President and CEO at the time.

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

12. **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, 2019	56,372,983	1.06
Issued	23,485,231	0.08
Expired	(30,853,000)	0.97
Balance, September 30, 2020	49,005,214	0.68

(Expressed in Canadian Dollars)

12. Share Purchase Warrants (continued)

As at September 30, 2020, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
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
2,729,591	0.12	February 24, 2022
3,827,900	0.12	February 26, 2022
10,579,545	0.08	March 31, 2022
4,748,195	0.08	May 7, 2022
49,005,214		

13. 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, 2019	4,080,000	0.15
Granted	8,550,000	0.06
Cancelled	(100,000)	0.15
Outstanding, September 30, 2020	12,530,000	0.09
Exercisable, September 30, 2020	6,117,500	0.12

(Expressed in Canadian Dollars)

13. **Stock Options** (continued)

Additional information regarding stock options outstanding as at September 30, 2020, is as follows:

Exercise price $	Stock options outstanding	Stock options exercisable	Expiry date
0.25	1,000,000	1,000,000	March 31, 2021
0.06	8,550,000	2,137,500	July 7, 2022
0.10	500,000	500,000	July 23, 2023
0.10	1,400,000	1,400,000	September 28, 2023
0.15	1,080,000	1,080,000	February 6, 2024
	12,530,000	6,117,500	

The weighted average remaining life of options outstanding is 1.98 years.

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the nine months ended September 30, 2020, the Company recognized a share-based compensation recovery of $47,171 (2019 - $nil) and share-based compensation expense of $101,085 (2019 - $491,490) in equity reserves, of which an expense of $95,916 (2019 - $152,482) pertains to directors, officers and a significant shareholder of the Company. The weighted average fair value of options during the nine months ended September 30, 2020 was $0.03 (2019 - $0.20) per share.

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

	2020	2019
Risk-free interest rate	0.27%	1.54%
Dividend yield	0%	0%
Expected volatility	150%	150%
Expected life (years)	2.0	3.04
Forfeiture rate	0%	0%

As at September 30, 2020, there was $121,389 (December 31, 2019 - $14,993) of unrecognized share-based compensation related to unvested stock options.

14. **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.

14. Financial Instruments and Risks (continued)

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 and has no other significant concentration of credit risk arising from operations. Amounts receivable is primarily comprised of trade accounts receivable and harmonized sales tax due from the Canadian government. For accounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. 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.

15. 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 nine months ended September 30, 2020. The Company is not subject to externally imposed capital requirements.

16. 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 September 30, 2020, the Company has accrued $343,894 (December 31, 2019 - $110,563) of royalties, which is included in accounts payable and accrued liabilities. The Company terminated the agreement effective November 11, 2020.

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.

c) 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"). 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. On May 7, 2020, the Company issued 4,000,000 units to satisfy the $200,000 obligation and issued 1,600,000 consideration units pursuant to the Conditional Purchase Price Agreement.

17. Subsequent Events

a) On November 24, 2020, the Company entered into a settlement agreement with Baeumler Productions Inc. and Bryan Baeumler (collectively, the "Parties") to terminate the endorsement agreement (Note 16(a)) with the Company. Per the agreement, the settlement amount for all amounts owing to the Parties was reduced to $150,000 and is payable in units of the Company at $0.10 per unit. Each unit will consist of one share and one warrant exercisable at $0.40 per share for a period of 2 years. Pursuant to the agreement, the Company will be changing its names to remove the word "HeyBryan" or any combination of words incorporating the word "Bryan".

b) Subsequent to September 30, 2020, there were significant changes in management and the board of directors of the Company. Lance Montgomery resigned as President & CEO and a Director of the Company. Blair Jordan resigned as the CFO. Rita Theil, Lianne Hannaway and Michael Stulp resigned as directors. William White was appointed as the President & CEO of the Company. Geoff Balderson was appointed as the CFO. Daniel Kang and Angelo Rajasooria were appointed as directors.