APARTMENTLOVE INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

RSM

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ApartmentLove Inc.

Opinion

We have audited the financial statements of ApartmentLove Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2021 and 2020 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) in the financial statements, which indicates that the Company incurred a net loss of$830,670 during the year ended December 31, 2021 and, as of that date, the Company's deficit is $3,471,277. As stated in Note 2(c), these events or conditions, along with other matters as set forth in Note 2(c), 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 comprises the Management's Discussion and Analysis.

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

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

We obtained the 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Terry Booth.

RSM Alberta LLP

Chartered Professional Accountants
April 29, 2022
Calgary, Alberta

ApartmentLove Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash	**$ 552,733**	$ 47,362
Accounts receivable (note 5)	**24,036**	5,897
Prepaid expenses and deposits	**35,900**	5,000
	612,669	58,259
Non-current assets		
Equipment (note 6)	**1,612**	777
Intangible assets (note 7)	**267,136**	89,907
Total assets	**$ 881,417**	$ 148,943
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	**$ 417,862**	$ 256,141
	417,862	256,141
Non-current liabilities		
Term loans (note 9)	**451,780**	49,418
Total liabilities	**869,642**	**305,559**
Shareholders' Equity (Deficiency)		
Share capital (note 13)	**2,939,464**	2,208,355
Equity portion of convertible loan (note 9)	**55,678**	3,821
Contributed surplus (note 14)	**443,466**	218,315
Warrants (note 15)	**44,444**	53,500
Deficit	**(3,471,277)**	(2,640,607)
Total shareholders' equity (deficiency)	**11,775**	(156,616)
Total liabilities and shareholders' equity (deficiency)	**$ 881,417**	$ 148,943

Going concern (note 2(c))
Commitments and contingencies (note 20)
Subsequent events (note 21)

Approved by the Board of Directors:

"Trevor Davidson" — **Director**

"Frank Sur" — **Director**

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

ApartmentLove Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenue (note 10)	**$ 5,561**	$ 14,588
Direct expenses	**664**	4,987
Gross profit	**4,897**	9,601
Expenses		
Selling, general and administrative expenses (notes 11 & 17)	**648,892**	370,598
Stock-based compensation (notes 14 & 17)	**235,531**	102,027
Amortization and depreciation (notes 6 & 7)	**99,576**	75,382
Provision for doubtful debts (note 5)	**-**	16,511
Finance cost (note 9)	**39,130**	4,894
Total expenses	**(1,023,129)**	(569,412)
Other income		
Government grants (note 9)	**-**	20,000
Other income	**12,562**	16,652
Gain on cancellation of shares (note 20)	**175,000**	-
Total other income	**187,562**	36,652
Net and comprehensive loss for the year	**$ (830,670)**	$ (523,159)
Net loss per share - basic and diluted	**$ (0.02)**	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted (note 16)	**36,498,917**	31,977,861

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

ApartmentLove Inc.

Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Share Capital	Equity Portion of Convertible Loan	Warrants	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
Balance, December 31, 2019	**1,829,596**	**$ -**	**$ 50,900**	**$ 224,569**	**$ (2,117,448)**	**$ (12,383)**
Common shares issued for cash	162,250	-	-	-	-	162,250
Share issuance costs	(8,349)	-	2,600	-	-	(5,749)
Equity component of convertible loans	-	3,821	-	-	-	3,821
Common shares issued for settlement of payables	37,577	-	-	-	-	37,577
Common shares issued in exchange for services	68,261	-	-	-	-	68,261
Stock-based compensation	-	-	-	33,766	-	33,766
Stock options exercised	119,020	-	-	(40,020)	-	79,000
Net loss for the year	-	-	-	-	(523,159)	(523,159)
Balance, December 31, 2020	**2,208,355**	**$ 3,821**	**$ 53,500**	**$ 218,315**	**$ (2,640,607)**	**$ (156,616)**
Common shares issued for cash	400,446	-	-	-	-	400,446
Share issuance costs	(57,689)	-	-	-	-	(57,689)
Equity component of convertible loans	-	71,720	-	-	-	71,720
Common shares issued for settlement of payables	396,550	-	-	-	-	396,550
Common shares issued for conversion of convertible debt	138,685	(19,863)	-	-	-	118,822
Cancellation of common shares previously issued in exchange for assets	(210,000)	-	-	-	-	(210,000)
Stock-based compensation	-	-	-	232,975	-	232,975
Stock options exercised	29,595	-	-	(7,824)	-	21,771
Warrants exercised	33,522	-	(11,612)	-	-	21,910
Modification of previously issued warrants	-	-	2,556	-	-	2,556
Net loss for the year	-	-	-	-	(830,670)	(830,670)
Balance, December 31, 2021	**2,939,464**	**$ 55,678**	**$ 44,444**	**$ 443,466**	**$ (3,471,277)**	**$ 11,775**

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

ApartmentLove Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2021	2020
Operating activities		
Net loss for the year	**$ (830,670)**	$ (523,159)
Items not affecting cash:		
Amortization and depreciation	**99,576**	75,382
Stock-based compensation	**235,531**	102,027
Provision for doubtful debts	**-**	16,511
Finance cost	**20,304**	1,608
Gain on cancellation of shares	**(175,000)**	-
Changes in non-cash working capital items:		
Accounts receivable	**(18,139)**	7,334
Prepaid expenses and deposits	**(30,900)**	(1,160)
Accounts payable and accrued liabilities	**523,271**	144,085
Net cash used in operating activities	**(176,027)**	(177,372)
Investing activities		
Purchase of equipment	**(1,717)**	(218)
Purchase of intangible assets	**(275,923)**	(72,536)
Net cash used in investing activities	**(277,640)**	(72,754)
Financing activities		
Common shares issued for cash (net of share issue costs)	**342,757**	156,501
Proceeds from stock options exercised	**21,771**	12,500
Proceeds from warrants exercised	**21,910**	-
Proceeds from term loans	**572,600**	85,000
Net cash provided by financing activities	**959,038**	254,001
Net change in cash	**505,371**	3,875
Cash, beginning of year	**47,362**	63,487
Cash, end of year	**$ 552,733**	$ 67,362
Non-cash items not included in cash flows:		
Common shares issued for settlement of payables	**$ 396,550**	$ 37,577
Common shares issued in exchange of services	**-**	68,261
Common shares issued for conversion of convertible debt	**$ 138,685**	$ -

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

1. INCORPORATION AND OPERATIONS

ApartmentLove Inc. (the "Company") was federally incorporated under the laws of Canada on January 19, 2015, with operations commencing July 15, 2015. The Company provides an interactive real estate website (www.apartmentlove.com) which promotes housing, apartments and other rental properties online by offering prospective tenants photographs, property descriptions, text, price, location, maps and other information that could be considered beneficial to a prospective tenant when making a rental decision.

The Company listed on the Canadian Securities Exchange (the "CSE") and began trading on August 30, 2021 under the ticker symbol "APLV".

The Company's head office is located at 1600, 421 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

2. BASIS OF PREPARATION AND GOING CONCERN

(a) Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standards using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). A summary of the Company's significant accounting policies under IFRS is presented in note 3. The accounting policies set out below have been consistently applied to all periods presented.

The financial statements were approved and authorized for issue by the Board of Directors on April 27, 2022.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis.

(c) Going concern

These 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. As at December 31, 2021, the Company had a positive working capital of $194,807 (December 31, 2020 - negative working capital of $197,882). The Company also had an accumulated deficit of $3,471,277 (December 31, 2020 - $2,640,607) as at December 31, 2021 and incurred a net loss during the year ended December 31, 2021 of $830,670 (year ended December 31, 2020 - $523,159). The Company has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to December 31, 2021 is uncertain. Until this time, management may have to raise funds by way of debt or equity issuances. The Company will closely monitor its cash and will take the necessary measures to preserve cash, such as reducing spending as required until the Company succeeds in gathering sufficient sales volumes to consistently achieve profitable operations and generate positive cash flows from operations.

These 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 be inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

(d) Functional currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(e) Use of estimates and judgments

The timely preparation of the financial statements in conformity with IFRS requires that management make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future events occur. Significant estimates and judgments made by management in the preparation of the financial statements are outlined in note 4.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) New accounting standards adopted during the year

There are no new standards which are effective for the periods beginning on or after January 1, 2021 that have an impact on these financial statements.

(b) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Depreciation is recognized on equipment as follows:

Computers	3-year straight-line
Furniture and fixtures	3-year straight-line

The Company allocates the amount initially recognized in respect of an item of equipment to its significant component within each cash-generating unit and depreciates separately each component. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of loss and comprehensive loss.

(c) Intangible assets

The Company's intangible assets include the costs of developing its website, mobile application, search engine optimization tool and purchased domains.

Research and development

Research costs are expensed when incurred. Development costs are capitalized when the feasibility and profitability of the project can reasonably be considered certain. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the Company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials and direct labour. Other development expenditure is recognized in the statement of loss and comprehensive loss as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Intangible assets (continued)

Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

Amortization

Amortization is charged to the statement of loss and comprehensive loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortized from the date they are available for use. All intangible assets are being amortized using the straight-line method over 3 years.

(d) Revenue recognition

The Company recognizes revenue at the time the performance obligation has been met by posting the rental listing as an active listing.

The Company's primary sources of revenue with customers are the provision of rental property listings services. The Company recognizes the revenue on individual rental listings at the time the listing is posted and active on the website. The Company also offers listing contracts to customers to provide an unlimited number of listings each month over a defined service period for a monthly recurring rate. Revenue from long-term contracts is recognized monthly over the life of the contract.

(e) Income taxes

Income tax comprises current and deferred tax. 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 the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the 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.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial instrument

Financial instruments are measured at fair value on initial recognition, which is typically the transaction price unless a significant financing component is present. Subsequent measurement is dependent on whether the instrument is classified as “amortized cost”, “fair value through profit or loss” or “fair value through other comprehensive income”. The classification of financial assets is determined by their characteristics and their context in the Company’s business model.

The Company classifies financial assets and liabilities as follows:

Amortized cost

Cash, accounts receivable, deposits, accounts payable and accrued liabilities and term loans are held by the Company to collect or pay contractual cash flows and are measured at amortized cost. Financial instruments measured at amortized cost are recognized initially at fair value, adjusted for any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest rate method, less any impairment losses.

Fair value through profit or loss

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including interest expense are recognized in profit or loss. The Company does not have any financial liabilities recognized at fair value through profit or loss.

Fair value through other comprehensive income

The Company has no financial instruments that do not meet the criteria to be measured at amortized cost or fair value through profit or loss and, accordingly, no financial instruments are measured at fair value through other comprehensive income.

The Company derecognizes a financial asset when the contractual right to the cash flow expires, or the right to receive the contractual cash flows from the financial asset and substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired.

Equity instruments

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options and warrants are recognized as a deduction from equity, net of any tax effects.

Impairment

The Company recognizes loss allowances for expected credit losses on its financial assets measured at amortized cost. Expected credit losses exist if, after initial recognition of the financial asset, one or more indicators exist that reduce estimated future cash flows from the financial asset and that impact can be reliably measured. The Company applies the simplified approach to expected credit loss measurement on accounts receivable, which uses a lifetime expected impairment to determine the expected credit loss. The Company uses a combination of historical and forward-looking information to determine the appropriate expected credit loss. The carrying amount of the asset is reduced through an allowance account, and the loss is recognized in selling, general and administrative expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Stock options and warrants

Stock options granted are accounted for using the fair value method under which compensation expense is recorded based on the estimated fair value of options and warrants at the grant date using the Black-Scholes option pricing model. The Company measures share based payments to non-employees at the fair value of the goods or services received at the date of receipt of the goods or services. If the fair value of the goods or services cannot be measured reliably, the value of the option and warrants granted are measured using the Black-Scholes option-pricing model. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options and warrants that vest.

Each tranche in an award is considered a separate award with its own vesting period. Compensation cost is expensed over the vesting period with a corresponding increase in contributed surplus. When stock options and warrants are exercised, the cash proceeds along with the amount previously recorded as contributed surplus is recorded as share capital.

(h) Compound financial instruments

Certain financial instruments are comprised of a liability and an equity component. The various components of these instruments are accounted for in equity and liabilities according to their classification, as defined in IAS 32 “Financial Instruments: Disclosure and Presentation”.

The components classified as liabilities are valued at issuance at the present value taking into account the credit risk at issuance date of the future cash flows including interest and repayment of the principal value of an instrument with the same characteristics but without any option for conversion or redemption in shares. The component classified as equity is defined as the difference between the fair value of the instrument and the fair value of the financial liability component.

(i) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for indicators of impairment at each reporting date. If indicators of impairment exist, the recoverable amount of the asset is estimated. For the purposes of assessing impairment, equipment and intangible assets are grouped into cash generating units (“CGU”).

The recoverable amount of a CGU is the greater of its fair value less costs of disposal and its value in use. Fair value is determined to be the amount for which the asset could be sold in an arm's length transaction between knowledgeable and willing parties. Fair value less costs of disposal may be determined using discounted future net cash flows. These cash flows are discounted at an appropriate discount rate, which would be applied by a market participant. Value in use is determined by estimating the present value of the future net cash flows to be derived from the continued use of the CGU in its present form. These cash flows are discounted at a rate based on the time value of money and risks specific to the CGU.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of goodwill, if any, allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses are recognized in net income.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized. A goodwill impairment loss is not reversed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share reflects the potential dilution that would occur if in-the-money options and warrants were exercised. The Company uses the treasury stock method for outstanding stock options and warrants which assumes that all outstanding stock options and warrants with exercise prices below average Company market prices are exercised and assumed proceeds plus the unamortized portion of stock-based compensation are used to purchase the Company's common shares at the average Company market price during the period.

(k) Future accounting standards

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

4. USE OF ESTIMATES AND JUDGMENTS

The timely preparation of the financial statements requires that management make estimates and use judgment regarding the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities as at the date of the financial statements. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. Accordingly, actual results may differ from estimated amounts as future events occur.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal actual results. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future years affected.

(a) Significant judgments in applying accounting policies

The following significant judgments have been made by management in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these financial statements:

i. Intangible assets - Impairment

Judgments are required to assess when impairment indicators, or reversal indicators exist, and impairment testing is required. These indicators include, but are not limited to, significant changes in markets for the Company's products or services or management's intended use of the asset.

ii. Intangible assets - Recognition

Judgments are required to assess whether the expenditures on intangible assets meets the criteria for capitalization. These judgments include assessing control over the asset and the future economic benefit.

4. USE OF ESTIMATES AND JUDGMENTS (continued)

(a) Significant judgments in applying accounting policies (continued)

iii. Income taxes

Judgment is required in the calculation of current and deferred taxes in applying tax laws and regulations, estimating the timing of the reversals of temporary differences and estimating the realizability of deferred tax assets.

(b) Key sources of estimation uncertainty

The following key estimates and related assumptions concerning the sources of estimation uncertainty that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities have been made by management:

i. Intangible assets

Management uses its best estimates to choose depreciation and amortization methods and makes related assumptions of residual values and useful lives when preparing the related calculations. The Company considers historical trends, conditions under which assets are to be used and other industry related factors in determining estimated useful lives of the assets.

ii. Stock-based compensation

In estimating the fair value of stock options and warrants using the Black-Scholes option pricing model, the Company uses assumptions related to the risk-free interest rate, expected lives of options and warrants, estimated forfeitures, estimated market price of the Company's shares and estimated future volatility of the Company's share price.

iii. Income taxes

Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires management to make some assumptions as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in the statement of income in the period in which the change occurs.

iv. Compound financial instruments

Certain financial instruments are comprised of a liability and an equity component. The determination of the amount allocated to the liability and equity components requires management to estimate various components and characteristics of present value calculations used in determining the fair value of the instrument.

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

	As at December 31, 2021	As at December 31, 2020
Trade receivables	**$ -**	$ 2,050
Goods and services tax recoverable	**24,036**	3,847
	$ 24,036	$ 5,897

Trade receivables are due within 30 days from the date of billing. See note 18(b) for further details on the Company's credit risk.

At December 31, 2021, the Company estimated an allowance for doubtful accounts of $16,511 (December 31, 2020 - $16,511). The Company has not written off any of its receivables, nor has it had a recovery of bad debts during the year ended December 31, 2021.

6. EQUIPMENT

Cost	**Computers**	**Furniture and Fixtures**	**Total**
Balance, December 31, 2019	**$ 1,632**	**$ 5,349**	**$ 6,981**
Additions	218	-	218
Balance, December 31, 2020	**$ 1,850**	**$ 5,349**	**$ 7,199**
Additions	1,717	-	1,717
Balance, December 31, 2021	**$ 3,567**	**$ 5,349**	**$ 8,916**
Accumulated depreciation			
Balance, December 31, 2019	**$ 1,300**	**$ 4,478**	**$ 5,778**
Charge for the year	219	425	644
Balance, December 31, 2020	**$ 1,519**	**$ 4,903**	**$ 6,422**
Charge for the year	436	446	882
Balance, December 31, 2021	**$ 1,955**	**$ 5,349**	**$ 7,304**
Net book value			
Balance, December 31, 2020	**$ 331**	**$ 446**	**$ 777**
Balance, December 31, 2021	**$ 1,612**	**$ -**	**$ 1,612**

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

Cost	Website Development Costs	Mobile Applications	Search Engine Optimization	Domains	Total
Balance, December 31, 2019	**$ 140,123**	**$ 78,000**	**$ 170,332**	**$ 114,771**	**$ 503,226**
Additions	72,536	-	-	-	72,536
Balance, December 31, 2020	**$ 212,659**	**$ 78,000**	**$ 170,332**	**$ 114,771**	**$ 575,762**
Additions	275,923	-	-	-	275,923
Balance, December 31, 2021	**$ 488,582**	**$ 78,000**	**$ 170,332**	**$ 114,771**	**$ 851,685**
Accumulated amortization and impairment					
Balance, December 31, 2019	**$ 100,606**	**$ 78,000**	**$ 170,332**	**$ 62,179**	**$ 411,117**
Charge for the year	37,660	-	-	37,078	74,738
Balance, December 31, 2020	**$ 138,266**	**$ 78,000**	**$ 170,332**	**$ 99,257**	**$ 485,855**
Charge for the year	83,978	-	-	14,716	98,694
Balance, December 31, 2021	**$ 222,244**	**$ 78,000**	**$ 170,332**	**$ 113,973**	**$ 584,549**
Net book value					
Balance, December 31, 2020	**$ 74,393**	**$ -**	**$ -**	**$ 15,514**	**$ 89,907**
Balance, December 31, 2021	**$ 266,338**	**$ -**	**$ -**	**$ 798**	**$ 267,136**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31, 2021	As at December 31, 2020
Trade payables	**$ 357,862**	$ 221,141
Accrued liabilities	**60,000**	35,000
	$ 417,862	$ 256,141

All of the accounts payable and accrued liabilities at December 31, 2021 and 2020 are due on standard credit terms and are expected to be settled within one year. Trade payables include amounts due to related parties amounting to $1,964 (December 31, 2020 - $44,856), these payables are unsecured, non-interest bearing and are due on demand.

9. TERM LOANS

	As at December 31, 2021	As at December 31, 2020
CEBA Loan (i)	**$ 33,319**	$ 27,766
Convertible debentures (ii)	**418,461**	21,652
	$ 451,780	$ 49,418

(Expressed in Canadian Dollars)

9. TERM LOANS (continued)

(i) The Company applied for and received a $60,000 CEBA loan in the 2020 fiscal year. The loan was provided by the Government of Canada to provide capital to companies to see them through the current challenges related to the COVID-19 pandemic and better position them to return to providing services and creating employment. The loan is unsecured. The loan is interest free to December 31, 2023. If the loan is paid back by December 31, 2023, $20,000 of the loan will be forgiven. If the loan is not paid back by December 31, 2023 the full $60,000 loan will be converted to loan repayable over three years with a 5% interest rate. To estimate the fair value, the debt component was estimated first at $26,094, considering the forgiveness and interest free aspects. An effective rate of 20% was used which corresponds to a rate that the Company would have obtained for a similar loan. The $20,000 residual value was attributed to a government subsidy that is presented in the statement of loss in other income. The balance as at December 31, 2021 includes $7,725 (December 31, 2020 - $1,672) accretion interest payable which was calculated using effective interest rates of 20%.

(ii) On October 13, 2020 the Board approved the issuance of convertible debentures with a two year term and an interest rate to accrue at the rate of 10% per annum, convertible into common shares at $0.10 per common share. On January 28, 2021, the Company closed a non-brokered private placement of convertible debentures totaling $60,000. The following day a further $55,000 was placed, with a further $50,000 closing on February 5, 2021 (year ended December 31, 2020 - $25,000). On December 21, 2021, the Company closed a non-brokered private placement of convertible debentures totaling $350,000, with a further $75,000 closing on December 29, 2021. The fair value of the loans was determined to be $500,880 (December 31, 2020 - $21,179) using an effecive interest rate of 20% and $71,720 (December 31, 2020 - $3,821) being allocated to equity component of convertible debenture. In September 2021, a total of $138,685, which included accrued interest to date in the amount of $8,685 was converted into common shares. The balance as at December 31, 2021 includes $6,539 of interest payable (December 31, 2020 - $473).

Convertible debentures	**Fair Value**	**Equity Component**	**Total**
Balance, December 31, 2019	**$ -**	**$ -**	**$ -**
Convertible debentures issued	21,179	3,821	25,000
Interest expense	473	-	473
Balance, December 31, 2020	**$ 21,652**	**$ 3,821**	**$ 25,473**
Conversion of convertible debentures into common shares	(118,822)	(19,863)	(138,685)
Convertible debentures issued	518,280	71,720	590,000
Transaction costs	(17,400)	-	(17,400)
Interest expense	14,751	-	14,751
Balance, December 31, 2021	**$ 418,461**	**$ 55,678**	**$ 474,139**

The maturity analysis of the undiscounted contractual balances of the term loans is as follows:

As at December 31, 2021	
Less than one year	$ -
One to two years	525,000
Total undiscounted term loans	525,000
Amount representing implicit interest	(73,220)
Term loans	**$ 451,780**

(Expressed in Canadian Dollars)

10. REVENUES

(a) Disaggregation of revenue

The Company disaggregates revenue by two major categories: (1) Revenues earned on individual listings and (2) listing contracts. Listing fee contracts have defined terms and may require a minimum or specified number of available listings on the Company's website for a defined period of time. Revenues on individual listings relate to customers directly posting their listing to the Company's Website. During the year ended December 31, 2021, as a result of the COVID-19 pandemic, the Company provided free listings to its contract customers.

	Year Ended December 31, 2021	2020
Revenue by major category		
Listing fees	**$ 5,561**	$ 9,434
Listing contracts	**-**	5,154
	$ 5,561	$ 14,588

(b) Accounts receivable and contract balances

Timing differences between invoicing, cash collection, and revenue recognition results in accounts receivable and also results in customer deposits and deferred revenue on the balance sheet. Amounts are billed in accordance with the terms of each customer contract, generally subsequent to the performance of obligations and related revenue recognition, resulting in accounts receivable.

11. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses are comprised of the following:

	Year Ended December 31, 2021	2020
Bank charges	**$ 5,549**	$ 607
Hosting and security	**10,060**	13,454
Insurance	**7,673**	3,868
Marketing	**5,568**	3,284
Meals and entertainment	**3,671**	2,967
Office	**67,289**	28,431
Professional fees	**416,270**	84,914
Salaries and commissions	**117,000**	228,392
Travel	**15,812**	4,681
	$ 648,892	$ 370,598

(Expressed in Canadian Dollars)

12. INCOME TAXES

Reconciliation of the effective tax rate:

	Year Ended December 31, 2021	2020
Loss before income taxes	**$ (830,670)**	$ (523,159)
Expected current income recovery at 23% (2020 - 25%)	**(191,054)**	(130,790)
Differences resulting from:		
Stock based compensation	**54,172**	25,507
Equity portion of convertible debentures	**-**	955
Non-deductible and other expenses	**422**	-
Unrecognized deferred tax asset	**136,460**	104,328
Income tax (recovery) expense	**$ -**	$ -

Significant components of deferred income tax assets and liabilities are as follows:

December 31,	**2021**	**2020**
Non-capital losses carried forward	**$ 497,347**	$ 439,703
Equipment	**(217)**	(103)
Intangible assets	**16,389**	(11,913)
Unrecognized deferred tax asset	**(513,519)**	(427,687)
Net deferred tax assets (liabilities)	**$ -**	$ -

The Company has non-capital loss carry forwards of $2,162,378 that expire in 2039-2041.

13. SHARE CAPITAL

(a) Authorized share capital

The authorized share capital consisted of an unlimited number of voting common shares.

(b) Common shares issued

As at December 31, 2021, the total number of shares issued was 38,575,350 and valued at $2,939,464. The change in issued share capital for the years presented were as follows:

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

(b) Common shares issued (continued)

	Number of Shares	Share Capital
Balance, December 31, 2019	**30,466,604**	**$ 1,829,596**
Common shares issued for cash (i)	1,632,500	162,250
Share issuance costs	-	(8,349)
Shares issued for settlement of payables (vii)	370,076	37,577
Stock options exercised (v)	1,037,500	119,020
Common shares issued in exchange for services (viii)	688,310	68,261
Balance, December 31, 2020	**34,194,990**	**$ 2,208,355**
Common shares issued for cash (i)	4,004,462	400,446
Share issuance costs	-	(57,689)
Common shares cancelled (ii)	(3,750,000)	(210,000)
Common shares issued for payables (iii)	2,179,784	396,550
Common shares issued for warrant exercise (iv)	219,100	33,522
Common shares issued for option exercise (v)	340,164	29,595
Common shares issued for debentures (vi)	1,386,850	138,685
Balance, December 31, 2021	**38,575,350**	**$ 2,939,464**

(i) During the year ended December 31, 2021, the Company completed a private placement to issue 4,004,462 (year ended December 31, 2020 - 1,632,500) common shares for total proceeds of $342,757 (year ended December 31, 2020 - $153,901) (net of share issuance costs).

(ii) During the year ended December 31, 2021, 3,750,000 shares were cancelled as part of the settlement of a nuisance lawsuit. The value of the shares cancelled was $210,000. The company made a payment of $35,000 to settle the suit (note 20).

(iii) During the year ended December 31, 2021, $396,550 of the amounts due to shareholders and suppliers were converted to common shares, of that amount 714,285 shares were issued at $0.35 per share and 1,465,499 common shares at $0.10 per share were issued.

(iv) During the year ended December 31, 2021, 219,000 warrants were exercised at price of $0.10 per share for total proceeds of $21,910. The warrants exercised had an original fair value of $11,612 previously recognized in the warrants reserve which was transferred to share capital upon exercise of the warrants.

(v) During the year ended December 31, 2021, 340,164 (year ended December 31, 2020 - 1,037,500) stock options were exercised at a price of $0.064 (year ended December 31, 2020 - $0.064 to $0.08) per share for total proceeds of $21,771 (year ended December 31, 2020 - $79,000). The options exercised had an original fair value of $7,824 (year ended December 31, 2020 - $40,020) previously recognized in contributed surplus which was transferred to share capital upon exercise of the options.

(vi) During the year ended December 31, 2021, the Company issued 1,386,850 common shares in exchange for convertible debentures in the total principal amount of $130,000 plus $8,685 in accrued interest.

(vii) During the year ended December 31, 2020, $37,577 of the amounts due to shareholders were converted to common shares, and 370,076 common shares at $0.10 per share were issued.

(viii) During the year ended December 31, 2020, the Company issued 688,310 common shares in exchange for $68,261 in consulting services.

(Expressed in Canadian Dollars)

14. STOCK OPTIONS

At the discretion of the Board of Directors, the Company may grant options and warrants to directors, officers, employees and key consultants.

The following table reflects the continuity of stock options for the years ended December 31, 2021 and 2020:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2019	**2,683,914**	**$ 0.08**
Granted (iii)	650,000	0.10
Expired (iv)	(681,250)	0.08
Exercised (note 13(b)(v))	(1,037,500)	0.08
Balance, December 31, 2020	**1,615,164**	**$ 0.09**
Granted (i)(ii)	2,800,000	0.154
Expired (iv)	(420,000)	0.10
Exercised (note 13(b)(v))	(340,164)	0.064
Balance, December 31, 2021	**3,655,000**	**$ 0.138**

(i) On February 28, 2021, the Company granted 1,800,000 stock options to members of the board of directors of the Company, exercisable at a price of $0.10 per share. The options vested immediately and expire on March 31, 2023. The fair value was determined to be $95,400 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.10, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.28% and expected life of 2.08 years.

(ii) On December 31, 2021, the Company granted 1,000,000 stock options to members of the board of directors of the Company, exercisable at a price of $0.25 per share. The options vested immediately and expire on December 31, 2023. The fair value was determined to be $136,000 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.22, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.95% and expected life of 2 years.

(iii) On September 16, 2020, The Company issued 650,000 stock options to members of the board of directors and its advisory committee, exercisable at a price of $0.10 per share. The options vested immediately and expire on December 31, 2022. The fair value was determined to be $26,000 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.08, dividend yield of 0%, expected volatility of $100%, risk free interest rate of $0.24% and expected life of 2.29 years.

(iv) During the year ended December 31, 2021, a total of 420,000 (year ended December 31, 2020 - 681,250) stock options with an exercise price of $0.10 (year ended December 31, 2020 - $0.08) per share which were not exercised by option holders lapsed and they were cancelled.

(v) A forfeiture rate of NIL% was used when recording stock-based compensation as it was expected that all officers, directors, and employees would continue with the Company over the vesting period. Any forfeitures will be accounted for as they happen. The Company's shares became publicly traded on August 30, 2021 however, the Company does not yet have the necessary trading history to compute its expected volatility using historical volatility; therefore, the Company has used the historical volatilities of certain members of its peer group for input into the Black-Scholes option pricing model.

During the year ended December 31, 2021, the Company recorded share-based compensation expense of $232,975 (year ended December 31, 2020 - $33,766) related to stock options.

(Expressed in Canadian Dollars)

14. STOCK OPTIONS (continued)

The following table reflects the actual stock options issued and outstanding as at December 31, 2021:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)
March 1, 2022	0.10	0.16	180,000	180,000
May 9, 2022	0.08	0.35	125,000	125,000
May 9, 2022	0.10	0.35	470,000	470,000
May 9, 2022	0.25	0.35	270,000	270,000
December 31, 2022	0.08	1.00	500,000	500,000
December 31, 2022	0.10	1.00	300,000	300,000
March 31, 2023	0.10	1.25	1,080,000	1,080,000
December 31, 2023	0.25	2.00	730,000	730,000
	0.138	**1.08**	**3,655,000**	**3,655,000**

15. WARRANTS

The following table reflects the continuity of warrants for the years ended December 31, 2021 and 2020:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2019	**879,100**	**$ 0.09**
Issued (i)	50,000	0.10
Balance, December 31, 2020	**929,100**	**0.095**
Exercised (note 13(b)(iv))	(219,100)	0.10
Balance, December 31, 2021	**710,000**	**$ 0.091**

(i) On December 14, 2020, the Company issued 50,000 warrants, with each warrant exercisable into one common share of the Company at a price of $0.10 per share for a period of 2 years from the effective date. The fair value was determined to be $2,600 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.10, dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.25% and expected life of 2 years.

Warrants include the value of warrants granted to support financings. When warrants are subsequently exercised, the fair value of such warrants is credited to the share capital account. There were no warrants issued as share issuance costs during the year ended December 31, 2021 (year ended December 31, 2020 - $ 2,600). When warrants expire, their value is credited to contributed surplus.

The following table reflects the actual warrants issued and outstanding as at December 31, 2021:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Warrants Outstanding
December 14, 2022	0.10	0.95	50,000
August 30, 2023	0.08	1.66	330,000
August 30, 2023	0.10	1.66	330,000
	0.091	**1.61**	**710,000**

(Expressed in Canadian Dollars)

16. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2021 was based on the net and comprehensive loss attributable to common shares of $830,670 (year ended December 31, 2020 – $523,159) and the weighted average number of common shares outstanding for the year ended December 31, 2021 of 36,498,917 (year ended December 31, 2020 – 31,977,861). Diluted loss per share for the year ended December 31, 2021 did not include the effect of 3,655,000 stock options and 710,000 warrants (year ended December 31, 2020 – 1,615,164 stock options and 929,100 warrants) as they are anti-dilutive.

17. RELATED PARTY TRANSACTIONS

The Company considers its key management personnel to be its executive officers and directors. During the year ended December 31, 2021, the Company provided service period stock-based compensation and was charged management fees and commissions for the services provided by its executive officers, directors and close family members of directors. The total compensation relating to key management is as follows:

	Year Ended December 31, 2021	Year Ended December 31, 2020
Management and consulting fees	**$ 177,308**	$ 214,258
Stock-based compensation	**232,975**	102,027
	$ 410,283	$ 316,285

(i) During the year ended December 31, 2021 the company incurred $177,308 (year ended December 31, 2020 - $214,258) in management fees and professional fees paid to the officers, close relatives of officers and companies controlled by directors of the Company. Of these amounts, management and consulting fees of $124,099 (year ended December 31, 2020 - $214,258) are recorded as salaries and commissions and professional fees, $49,809 (year ended December 31, 2020 - $nil) are recognized as a deduction from share capital, and $3,400 (year ended December 31, 2020 - $nil) are recognized as a deduction from term loans.

(ii) During year ended December 31, 2021, the Company issued 2,800,000 (year ended December 31, 2020 - 650,000) stock options to members of the board of directors (the "Board") and members of its advisory committee that entitled the option holder to purchase one common share at a price of $0.10 per share for 1,800,000 of those options, with the remaining 1,000,000 options providing option holders the right to purchase one common share at a price of $0.25 per share. The options vested immediately and expire as described in note 14. However, 270,000 of the $0.10 options expired on August 27, 2021 with the resignation of one of the members of the Board. The stock based compensation expense recognized related to these options amounted to $232,975 (year ended December 31, 2020 - $33,766).

(iii) During year ended December 31, 2021, the company issued 494,120 (year ended December 31, 2020 - 688,310) common shares for a value of $49,412 (year ended December 31, 2020 - $68,261) as payment for management fees and consulting services to directors or companies controlled by directors.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to credit, liquidity and market risks in the normal course of the Company's operations. These risks are mitigated by the Company's financial management policies and practices described below:

(a) Fair values

The fair values of the Company's cash, accounts receivable, deposits, accounts payable and accrued liabilities, and term loans approximate their carrying values because of their short-term nature or because they bear interest at market rates.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly and are based on valuation models and techniques where the inputs are derived from a quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and by general economic conditions affecting the real estate and rental markets, as the Company will be impacted by fluctuations in these markets. Management believes the default risk is minimal and that the nature of the Company's revenues do not lend to large receivables. Credit risk is managed by the Company through credit approval and monitoring procedures. Further quantitative disclosures in respect of the Company's exposure to credit risk arising from accounts receivable, are set out in note 5. The Company is also exposed to credit risk associated with cash and deposits. The risk is mitigated as the cash is maintained with a major financial institution and deposits are with the Company's landlord. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the balance sheet.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate price risk to the extent that the term loans are at fixed interest rates.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities and are all due within one year. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations. The Company has encountered challenges with meeting its current obligations, as described in note 2(c).

(Expressed in Canadian Dollars)

19. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base to provide financial flexibility and to sustain the future development of the business. The Company manages and adjusts its capital structure as a result of changes in economic conditions and the risk characteristics of the industry in which its customers operate.

The Company considers its capital structure to include working capital and shareholders' equity. The Company's capital consists of the following:

	As at December 31, 2021	As at December 31, 2020
Current assets	**$ 612,669**	$ 58,259
Current liabilities	**(417,862)**	(256,141)
Working capital (deficiency)	**194,807**	(197,882)
Share capital	**2,939,464**	2,208,355
Equity portion of convertible loan	**55,678**	3,821
Warrants	**44,444**	53,500
Contributed surplus	**443,466**	218,315
Deficit	**(3,471,277)**	(2,640,607)
Total capital (deficiency)	**$ 206,582**	$ (354,498)

In order to maintain or adjust the capital structure, the Company may adjust its capital spending, issue shares or obtain financing from other sources on commercially reasonable terms. To assess capital and operating efficiency and financial strength, the Company continually monitors its working capital including its cash position.

The Company is currently economically dependent on its shareholders to meet its short-term obligations, until the Company is able to obtain sustainable operations. There has been no change to management's approach to managing capital during the year ended December 31, 2021.

20. COMMITMENTS AND CONTINGENCIES

In May of 2018, the Company issued notice to two shareholders that were issued common shares for providing services to the Company for the development of the mobile application and for work related to the search engine optimization. In May of 2017, the Company became aware of concerns related to the progress of the project and undertook a comprehensive review of the work performed to that date.

As a result of the Company's findings, management asserted that the common shares issued should be cancelled in accordance with the provisions of the appropriate statutes in the province of Alberta. In January 2021, the Company reached an agreement with the shareholder to settle all amounts due for $35,000 and to cancel the previously issued shares. The settlement represents a net gain to the Company of $175,000, which was recognized during the year ended December 31, 2021.

21. SUBSEQUENT EVENTS

(a) Subsequent to the year ended December 31, 2021, 180,000 share purchase options were exercised at a price of $0.10 per common share for total proceeds of $18,000.

(b) Subsequent to the year ended December 31, 2021, the Board approved the issuance of 400,000 stock options to certain directors. The options have an exercise price of $0.25 per share, vest immediately and have an expiry date of March 16, 2024.

(c) Subsequent to the year ended December 31, 2021, the Company announced a non-brokered private placement offering of 10,000,000 units priced at $0.15 per unit for gross proceeds of up to $1,500,000. Each unit consists of one common share and a one-half common share purchase warrant. Each full warrant can be exercised to purchase one commmon share at a price of $0.25 per share for a period of two years from the issue date. As at April 29, 2022, the Company has received completed subscription agreements for a cumulative amount of $605,000.

(d) Subsequent to the year ended December 31, 2021, the Company raised an additional $328,000 in convertible debentures. The debentures have a two-year term and accrue interest at the rate of 10% per annum. The principal and accrued interest are convertible into common shares at a price of $0.25 per common share.