

**BnSellit Technology Inc.**

Consolidated Interim Financial Statements

Six Months Ended June 30, 2022

**Notice**

In accordance with National Policy 51-102 released by the Canadian Securities Administrators, the Corporation discloses that its auditors have not reviewed these unaudited interim financial statements, which have been prepared by management and approved by the Audit Committee and Board of Directors.

**BnSellit Technology Inc.**  
**Consolidated Interim Statement of Financial Position**  
**June 30, 2022 (unaudited)**  
(with comparative figures as at December 31, 2021)

	Note	June 30, 2022	December 31, 2021
<b>ASSETS</b>			<i>(audited)</i>
Current assets			
Cash		\$ 75,143	\$ 477,951
Accounts receivable		286	-
Prepaid expenses and deposits		12,206	7,680
GST/HST receivable		89,479	58,888
		<u>177,114</u>	<u>544,519</u>
Deposits		28,425	28,973
Equipment	4	3,486	3,331
Right of use asset	5	135,439	186,229
Intellectual property		1,312,598	1,312,598
		<u>\$ 1,657,062</u>	<u>\$ 2,075,650</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 364,833	\$ 123,268
Lease liability	5	100,782	99,286
		<u>465,615</u>	<u>222,554</u>
10% Convertible debentures due 2024	6	125,000	-
Lease liability	5	35,242	87,400
		<u>625,857</u>	<u>309,954</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		2,634,213	2,634,213
Deficit		(1,603,008)	(868,517)
		<u>1,031,205</u>	<u>1,765,696</u>
Total liabilities and equity		<u>\$ 1,657,062</u>	<u>\$ 2,075,650</u>
<b>Subsequent events</b>	7		
<b>Going concern</b>	2		

**BnSellit Technology Inc.****Consolidated Interim Statement of Net and Comprehensive Loss****Three and six months ended June 30, 2022**

(unaudited)

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Net revenue</b>				
Gross revenue	\$ 1,588	\$ -	\$ 3,218	\$ -
Cost of sales	(2,234)	-	(3,010)	-
	<u>(646)</u>	<u>-</u>	<u>208</u>	<u>-</u>
<b>Expenses</b>				
Salaries, wages and benefits	142,894	35,591	281,197	35,591
Subcontractors	34,917	15,000	72,903	15,000
Professional fees	44,822	193,382	58,548	193,382
Investor relations	133,977	-	235,909	-
Office and administration	16,000	4,542	27,470	4,542
Travel	2,003	-	2,215	-
Lease interest	2,436	-	5,115	-
Depreciation	25,671	-	51,342	-
	<u>402,720</u>	<u>248,515</u>	<u>734,699</u>	<u>248,515</u>
<b>Net and comprehensive loss</b>	<u>\$ (403,366)</u>	<u>\$ (248,515)</u>	<u>\$ (734,491)</u>	<u>\$ (248,515)</u>
<b>Basic and diluted loss per share</b>	\$ 0.01	\$ 0.01	\$ 0.02	\$ 0.01
<b>Weighted number of shares outstanding</b>				
Basic	45,804,039	29,418,518	45,804,039	29,418,518
Fully diluted	45,897,772	29,418,518	45,850,706	29,418,518

**BnSellit Technology Inc.**  
**Consolidated Interim Statement of Changes in Shareholders' Equity**  
**Three and six months ended June 30, 2022**  
(unaudited)

	Number of Shares	Share capital	Deficit	Total
Balance at December 31, 2021	45,804,039	\$2,634,213	\$ (868,517)	\$1,765,696
Net and comprehensive loss for the period	-	-	(734,491)	(734,491)
Balance as at June 30, 2022	<u>45,804,039</u>	<u>\$2,634,213</u>	<u>\$ (1,603,008)</u>	<u>\$1,031,205</u>
Balance at December 31, 2020	-	-	-	-
Share issues	45,866,839	2,725,732	-	2,725,732
Share redemptions	(62,800)	(62,800)	-	(62,800)
Share issue costs	-	(28,719)	-	(28,719)
Net and comprehensive loss for the period	-	-	(248,515)	(248,515)
Balance as at June 30, 2022	<u>45,804,039</u>	<u>\$2,634,213</u>	<u>\$ (248,515)</u>	<u>\$2,385,698</u>

**BnSellit Technology Inc.**  
**Consolidated Interim Statement of Cash Flows**  
**Three and six months ended June 30, 2022**  
(unaudited)

	Three months ended		Six months ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<b>Operating activities</b>				
Net and comprehensive loss	\$ (403,366)	\$ (248,515)	\$ (734,491)	\$ (248,515)
Non-cash items				
Depreciation and amortization	25,671	-	51,342	-
Lease interest	2,436	-	5,115	-
Changes in non-cash working capital				
GST/HST receivable	(22,090)	(30,008)	(30,591)	(30,008)
Accounts receivable	(221)	(78,491)	(286)	(78,491)
Prepaid expenses and deposits	(6,534)	(20,143)	(4,526)	(20,143)
Accounts payable and accrued liabilities	169,842	17,565	241,565	17,565
Current portion of lease liability	-	-	(1,496)	-
	<u>(234,262)</u>	<u>(359,592)</u>	<u>(471,872)</u>	<u>(359,592)</u>
<b>Investing activities</b>				
Purchase of equipment	-	-	(707)	-
Intangible asset expenditures	-	(1,312,598)	-	(1,312,598)
Other	(1,888)	-	(3,071)	-
	<u>(1,888)</u>	<u>(1,312,598)</u>	<u>(3,778)</u>	<u>(1,312,598)</u>
<b>Financing activities</b>				
Share issues, net of redemptions	-	2,650,122	-	2,650,122
Issue of convertible debentures	125,000	-	125,000	-
Share issue costs	-	(28,719)	-	(28,719)
Lease payments	(26,393)	-	(52,158)	-
	<u>98,607</u>	<u>2,621,403</u>	<u>72,842</u>	<u>2,621,403</u>
<b>Decrease in cash</b>	(137,543)	949,213	(402,808)	949,213
<b>Cash, beginning of period</b>	<u>212,686</u>	<u>-</u>	<u>477,951</u>	<u>-</u>
<b>Cash, end of period</b>	<u>\$ 75,143</u>	<u>\$ 949,213</u>	<u>\$ 75,143</u>	<u>\$ 949,213</u>

**BnSellit Technology Inc.**  
**Notes to the Consolidated Interim Financial Statements**  
**Three and six months ended June 30, 2022**  
(unaudited)

**1. Significant Accounting Policies**

These interim consolidated financial statements of BnSellit Technology Inc. (the "Company") have been prepared following the same accounting policies and methods of computation as the annual audited financial statements at December 31, 2021 except as disclosed below. The disclosures included below are incremental to those included in the annual financial statements. These interim financial statements should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2021

**2. Going Concern**

These consolidated interim financial statements have been prepared on a going concern basis which assumes the Company will continue operating for the foreseeable future and will be able to realize a return on its assets and discharge its liabilities and commitments in the normal course of business.

The Company's continued existence is dependent upon the commercial success of its intellectual property, and its ability to raise additional capital or financing for which there lies material uncertainty. These consolidated interim financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments would be material.

**3. Statement of Compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard ("IAS") 34, Interim Financial Reporting. These interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements which have been prepared in accordance with IFRS.

The unaudited financial statements were authorized for issue by the Board of Directors on August 26, 2022.

**4. Equipment**

	<u>2022</u>	<u>2021</u>
Cost at the beginning and end of period	\$ 3,331	\$ -
<u>Accumulated depreciation</u>		
Balance at the beginning of the period	588	-
Provision for the period	276	-
Balance, end of period	<u>\$ 864</u>	<u>\$ -</u>

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**Notes to the Consolidated Interim Financial Statements**  
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**5. Right of Use Asset and Lease Liability**

	<u>2022</u>	<u>2021</u>
<u>Right of use asset</u>		
Cost, beginning ad end of period	\$ 194,694	\$ -
Accumulated amortization		
Balance, beginning of period	8,465	-
Provision for the period	25,395	-
Balance, end of period	<u>\$ 33,860</u>	<u>\$ -</u>
<u>Lease liability</u>		
	<u>2022</u>	<u>2021</u>
Balance, beginning of period	\$ 186,686	\$ -
Lease interest	5,115	-
Lease payments	(26,394)	-
	165,407	-
Less current portion	(100,782)	-
Balance, etnd of period	<u>\$ 64,625</u>	<u>\$ -</u>

The company is committed to future lease payments as follows:

2022	81,392
2023	89,822

**6. 10% Convertible Debentures due 2024**

In June 2022, the Company issued \$125,000 in new 10% convertible debentures. The debentures pay interest monthly at 10% per annum until their maturity, which is two years from the date of issue. The shares are convertible into common shares of the Company at a conversion price of \$0.25 per share (4,000 common shares for each \$1,000 debenture).

The Board of Directors authotized a maximum issue of \$500,000 of these debentures, with provision for multiple closings. The Company issued \$111,000 in debentures during the period July 1 to August 26, 2022 (see Note 7 below).

**BnSellit Technology Inc.**  
**Notes to the Consolidated Interim Financial Statements**  
**Three and six months ended June 30, 2022**  
(unaudited)

**7. Subsequent Events**

**Convertible debentures** - as noted above, the Company issued \$111,000 in additional 10% Convertible Debentures due 2024 during the period July 1, 2022 to the reporting date (August 25, 2022).

**Grant of stock options** - The Company's stock option plan was approved at the annual and special meeting of shareholders held on June 10, 2022. A total of 3,205,000 options were granted to key employees, officers and directors at an option price of \$0.35 per share on July 20, 2022. The approved stock option plan allows the grant of options for 10% of the issued and outstanding common shares of the Company, at prices and terms determined by the Board of Directors. The options granted were subject to a two year vesting period and 5 year term.

On August 9, 2022 the Board of Directors authorized the grants of 105,000 options to an officer and a key employee. The options had an exercise price of \$0.35 per share, with three year vesting and 5 year terms as set by the approved stock option plan.

**Debt Settlement with Hybrid Financial Ltd.** - on July 13, 2022 the Company announced that it had agreed to the settlement of \$353,334 in amounts owing to Hybrid under a Consulting and Marketing Agreement by the issue of 1,009,526 Common shares at a deemed price of \$0.35 per share in settlement and full satisfaction of the debts owing under the related contract. Accounts payable includes \$336,000 owing for services through June 30, 2022 under the contract.