

B L O C K C H A I N K 2

**ANNUAL INFORMATION FORM
of
BLOCKCHAINK2 CORP.
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

September 14, 2021

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DEFINITIONS AND OTHER INFORMATION

Currency

In this AIF, all funds are quoted in Canadian dollars unless otherwise indicated. References to “\$” and “CDN\$” are to Canadian dollars.

Defined Terms and Abbreviations

In this AIF, unless the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

"Affiliate", a company is an "Affiliate" of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is "controlled" by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

"Associate" when used to indicate a relationship with a Person, means: (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the issuer, (b) any partner of the Person, (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity, and (d) in the case of a Person who is an individual, (i) that Person's spouse or child, or (ii) any relative of that Person or of his spouse who has the same residence as that Person; but where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange with respect to that Member firm, Member corporation or holding company;

"AIF" means this annual information form of the Company dated September 14, 2021.

"BCBCA" means the *Business Corporations Act* (British Columbia), including the regulations made thereunder, in each case as now in effect and as may be amended or replaced from time to time.

"Bitcoin" refers to a peer-to-peer payment system and the digital currency of the same name which uses open source cryptography to control the creation and transfer of such digital currency.

"Blockchain" means the public transaction ledger which records transactions, such as the financial transactions in cryptocurrency, in chronological order

"Board" means the board of directors of the Company.

"CEO" means the Chief Executive Officer of the Company.

"Common Shares" means the common shares in the capital of the Company.

“Company” means BlockchainK2 Corp.

“Fiscal 2020” means the Company’s fiscal year ending September 30, 2020.

“Mining” refers to the provision of computing capacity to secure a distributed network by creating, verifying, publishing and propagating blocks in the Blockchain in exchange for rewards and fees denominated in the native token of that network (i.e. Bitcoin or Ethereum, as applicable).

“MW” means Megawatts.

“NFT” means Non-Fungible Token, a cryptographic token that represents something unique or non-fungible, meaning it’s not interchangeable with another NFT. The metadata inside each NFT exists as a permanent, unalterable record on the blockchain. This record describes what the token represents, similar to a certificate of authenticity, as well as the token’s ownership history and transaction record (title).

“NI 51-102” refers to National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators.

“NI 52-110” refers to National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators.

“Person” Includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, governmental entity, syndicate or other entity, whether or not having legal status.

“SEDAR” means the System for Electronic Document Analysis and Retrieval.

“Shareholders” means the holders of the Company’s Common Shares.

“TSXV” means the TSX Venture Exchange.

BLOCKCHAINK2 CORP.
ANNUAL INFORMATION FORM

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF and the documents incorporated by reference herein constitute forward-looking information or forward-looking statements (collectively, “**forward-looking statements**”) within the meaning of applicable Canadian securities laws.

All statements other than statements of historical facts contained in this AIF, including statements regarding the Company’s future results of operations and financial position, business strategy, prospective products and/or services, research and development costs, timing and likelihood of success, plans and objectives of management for future operations, and future results of current and anticipated products are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements include statements concerning the Company’s current expectations, estimates, projections, assumptions and beliefs, and, in certain cases, can be identified by the use of words such as “seeks”, “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might”, or “will be taken”, “occur” or “be achieved”, or the negative forms of any of these words and other similar expressions.

When the Company discusses its strategy, plans, future financial and operating performance, financing plans, growth in cash flow and operating margins, or other events that have not yet happened, the Company is making forward-looking statements. The Company has based the forward-looking statements largely on its current expectations, estimates, assumptions and projections about future events and financial trends that it believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond the Company’s control, include, but are not limited to: projections of future financial and operational performance; statements with respect to future events or future performance; anticipated operating costs and revenue; estimates of capital expenditures; and, future demand for and prices of digital currencies.

Forward-looking information is necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s ability to control, that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation: the on-going COVID-19 global pandemic, including the rapidly evolving reaction of governments, private sector participants and the public to that pandemic and/or the associated economic impact of that pandemic and the reaction to it that have impacted the Company’s operations and plans and will continue to impact the Company’s operations and

plans for a period of time that remains uncertain; a history of operating losses and negative cash flow; limited operating history; the need for additional financing to sustain and expand our operations; our existing indebtedness, or indebtedness that we may incur in the future; the inability to successfully implement our business plan; the potential growth of our business may depend upon our ability to consummate strategic acquisitions, which will depend on the availability of, and our ability to identify, suitable candidates; acquisitions we pursue could result in operating and other difficulties relating to integration of new businesses into our existing business, dilution to our shareholders and other consequences harmful to our business; the industry in which we operate is intensely competitive; our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services; we may not be successful in developing or launching our online direct-to-consumer distribution platform; we may fail to launch new products and services, in a timely manner or at all, and, when launched, our new products and services may not be commercially successful; our growth relies on market acceptance; our products may not receive favorable reviews or ratings or perform well, and third parties may not, or may not continue to, do business with us or promote our products or services; we are subject to product development risks that could result in delays and additional costs, and we must adapt to changes in software technologies; programming errors or flaws in our products or the third party platforms, consoles and other methods through which our products are distributed could harm our reputation or decrease market acceptance of our products; we are particularly susceptible to adverse economic and other developments in Vancouver, British Columbia; companies and governmental agencies may restrict access to our website, other websites that carry our products, mobile applications or the internet, generally; our business is subject to our ability to develop commercially successful products for the current video game platforms; video game hardware manufacturers set the royalty rates and other fees that we must pay to provide games for their platforms and, therefore, have significant influence on our costs; the global COVID-19 pandemic may negatively affect our business, financial condition, results of operations, cash flow and prospects, and these impacts may persist for an extended period of time or become more pronounced; under International Financial Reporting Standards, we will not be able to consolidate our financial statements with the financial statements of companies in which we own minority equity ownership interests; fluctuations in the value of the U.S. dollar relative to the Canadian dollar may adversely affect our business; changes in tax laws or tax rulings could materially affect our effective tax rates, financial position and results of operations; we cannot guarantee that we will be able to claim investment tax credits in Canada; as a company in the early stages of our development, we rely upon our management team; our future success depends significantly on their continued service and performance, as well as our ability to hire and retain additional competent and skilled management and technical and other personnel; our management team has limited experience managing a public company; we may not be able to manage our potential growth; we use a limited number of suppliers; our results of operations may fluctuate significantly as to our film operations depending upon the timing of television shows and films delivered or made available to various media; our business is subject to a variety of U.S., Canadian and other laws, many of which are unsettled and still developing, and which could subject us to claims or otherwise harm our business; we may be involved in legal proceedings that may result in adverse outcomes; we depend on protection afforded by trademarks and copyrights to

protect our intellectual property; we rely on the availability of licenses to intellectual property of third parties, which exposes us to risks over which we have little or no control; intellectual property claims may increase our costs or require us to cease selling affected products; third parties with which we do business process, store and use personal information and other data of consumers of our content, and, as we implement our growth strategy, we may process, store and use such consumer data, which may subject us to governmental regulation and other legal obligations related to privacy and data security, and such third parties' or our actual or perceived failure to comply with such obligations could harm our business; security breaches involving the source code for our products or other sensitive and proprietary information could adversely affect our business; the proliferation of "cheating" programs and scam offers that seek to exploit our games and players affects the game-playing experience and may lead players to stop playing our games; the Company's assumptions as they relate to conversion rates; a lack of demand or interest in the Company's business from influencers; a lack of exclusiveness in what influencers are able to offer; competition from affiliate programs; a lack of resources to run stores; a lack of acceptance of the Company's business model by the market; competition from other stores; an inability to attract gamers; changing market conditions; a lack of adoption by potential customers; a lack of business history; a slow market take-up of the Company's business model; maintaining privacy and HIPAA compliance; risks of information or data security breaches and the costs and procedures necessary to ensure compliance such as training staff, establishing controls, data encryption; device security, vulnerability assessments and data backup procedures; building or creating products that are not marketable; an inability to sustain user growth; partnering with the wrong developer; investing in a platform that cannot be controlled or that is too limited; the Company's relationships with its customers, distributors and business partners; failure to develop new and innovative products; competition; the ability to successfully maintain and enforce our intellectual property rights and defend third-party claims of infringement of their intellectual property rights; the impact of intellectual property litigation that could materially and adversely affect the business; the ability to manage working capital; dependence on or loss of key personnel and the inability to attract and retain qualified personnel; continued growth in key markets; risks related to compliance with laws and regulations and the effect of changes in law and regulatory environment; fluctuations in foreign currency exchange rates; maintaining our listing on the TSXV Venture Exchange; future capital raising efforts may be dilutive to our shareholders, result in increased interest expense in future periods or depress our share price; the price of our common shares may be volatile or may decline regardless of our operating performance; we incur significant costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies; any failure to establish and maintain adequate internal controls and/or disclosure controls or to recruit, train and retain necessary accounting and finance personnel could have an adverse effect on our ability to accurately and timely prepare our financial statements and otherwise make timely and accurate public disclosure; we are a "foreign private issuer" under U.S. securities laws and, as a result, are subject to disclosure obligations different from requirements applicable to U.S. domestic registrants listed on U.S. OTC Market; we could lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us; if we were to be a passive foreign investment company for U.S. federal income tax purposes, U.S. holders of our common shares (or securities exercisable for or convertible into our common shares) may suffer

adverse tax consequences; we have never paid cash dividends on our common shares, and we do not anticipate paying cash dividends in the foreseeable future; provisions in our articles may prevent efforts by our shareholders to effect a change of control of our company or a change in our management; share price volatility; the costs and requirements of being a public company; as well as other risks, uncertainties and other factors, including, without limitation, those referred to in this AIF under the heading “General Development of the Business – Risk Factors” and elsewhere herein.

Forward-looking statements are not a guarantee of future performance but, rather, reflect the Company’s current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from those anticipated in such statements. All of the forward-looking statements contained in this Annual Information Form are qualified by these cautionary statements.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause actual results to differ materially from those which are anticipated, estimated, or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company’s forward-looking statements are based. Readers are further cautioned that the foregoing list of risks and assumptions is not exhaustive and prospective investors should consult the more complete discussion of the Company’s business, financial condition and prospects that is included in this AIF, including the documents incorporated by reference herein.

The forward-looking statements reflect current expectations regarding future events and operations and speak only as of the date of this AIF. The Company assumes no obligation to update publicly or otherwise revise any forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable securities laws. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect to those or other forward-looking statements.

As of the date of this AIF, the impacts of the COVID-19 pandemic continue to unfold. It is not possible for the Company to reliably estimate the length and severity of these impacts and, as a result, many of our estimates and assumptions contained herein required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company’s estimates may change materially in future periods. Readers should carefully review these estimates and assumptions, along with the risk factors contained in “General Development of the Business – Risk Factors” below, in light of evolving economic, political and social conditions.

The forward-looking statements contained in this AIF and the documents incorporated by reference herein are expressly qualified in their entirety by the foregoing cautionary

statements and those made in our other filings with applicable securities regulators in Canada.

CORPORATE STRUCTURE

Name, Address & Incorporation

The Company was incorporated under the *Companies Act* in the Province of British Columbia on April 11, 1983 under the name Orotek Resources Corporation. On December 29, 1992, the Company consolidated its share capital on a 4.7:1 basis and changed its name to Doucette Developments Corp. Effective August 30, 1995, the Company changed its name to Traders International Franchise Systems Inc. The Company subsequently consolidated its share capital on a 3:1 basis and changed its name to Newquest Ventures Corp. on May 21, 1998. On May 26, 1999, the Company consolidated its share capital on a 2:1 basis and changed its name to Aster Ventures Corp. The Company subsequently consolidated its share capital on a 2:1 basis and changed its name to Knight Petroleum Corp. on March 22, 2001. On March 7, 2003, the Company changed its name to Knight Resources Ltd. On May 25, 2011, the Company's common shares were consolidated on a 19 old common shares for 1 new common share basis and the Company changed its name to Knight Metals Ltd. Effective February 2, 2012, the Company's name was changed to Africa Hydrocarbons Inc.

On March 2, 2015, the Company filed a Form 51-101F5, wherein management and the board of directors of the Company at that time confirmed that it had determined that at such date, the Company was no longer engaged, directly or indirectly, in oil and gas activities.

On June 27, 2017, the Company's common shares were consolidated on a 20 old common shares for 1 new common share basis.

The Company's head office is located at Suite 320, 600 – 6th Avenue SW, Calgary, AB, T2P 0S5, and the Company's registered office is located at Suite 1600, 421 7th Avenue SW, Calgary, AB T2P 4K9.

The Company is listed on the TSXV, under the symbol "BITK". The Company is also quoted on the OTC QB under the symbol "BIDCF" and on the Frankfurt Borse under the symbol "KRL2".

Intercorporate Relationships

The Company has five wholly owned subsidiaries Amplify Games Inc. ("**Amplify Games**"), a Delaware corporation, and IRecover Inc. ("**IRecover**"), a Delaware corporation, Africa Hydrocarbons (Bahamas) Ltd., a Bahamas corporation, Africa Hydrocarbons Tunisia Ltd., a Tunisian corporation, and Watutatu Inc., a Canadian corporation, and one 51% owned subsidiary Sobe Organics Inc., a Florida corporation.. Africa Hydrocarbons (Bahamas) Ltd., Africa Hydrocarbons Tunisia Ltd. and Watutatu Inc. are all inactive. The Company also has a minority interest in Envexergy Inc. ("**RealBlocks**"), which is a Delaware corporation, and a joint venture with 500 N 4th LLC ("**Standard Power**").

GENERAL DEVELOPMENT OF THE BUSINESS

Development of the Business

The principal business of the Company was to explore natural resource properties. In early 2016, the Company ceased to operate in the resource sector and on November 23, 2017 it was announced that it is management's intention to complete a "Change of Business" transaction ("**COB Transaction**") pursuant to the policies of the TSX Venture Exchange, with the result that the Company will become a blockchain technology company, listed on the Exchange. On May 28, 2018, the Company completed its COB transaction and changed its name to BlockchainK2 Corp. and its stock symbol to BITK. Blockchain technology was invented in 2008 as the database technology that underpins Bitcoin, the world's first cryptocurrency. Even though the technology has remained synonymous with Bitcoin and cryptocurrencies, Blockchain technologies are capable of much more than just serving as a database for a decentralised digital currency. Blockchain is gaining widespread adoption and is the backbone of a new digital world with fewer middlemen, greater efficiency and automated transactions.

A significant advantage to Blockchain technology is that it can store data and distribute in a decentralised manner. The decentralisation of information increases security and offers additional functionality to its users. Blockchain technologies are making a significant impact in many areas of business, finance, information management and governance, but it is still in the early stages with significant future opportunities.

The Company intends to identify and evaluate the potential acquisition of interests in other technologies and/or blockchain based businesses and technologies. The Company has invested in blockchain technologies where management believes they have the greatest impact. Whether it is a gaming company changing the way that video games are distributed and promoted, a financial company streamlining real estate fundraising and investing or an application supporting individuals recovering from addiction, the Company is striving to revamp the business landscape using blockchain technology solutions.

The Company is currently operating as a holding company investing in blockchain technology solutions for capital markets and other sectors that can be made more efficient through tokenization. To date, the Company has invested in four separate ventures: 1. Amplify Games; 2. iRecover ; 3. RealBlocks; and 4. Standard Power . The Company has also holds a 51% interest in Sobe Organics Inc. which is a Florida corporation. Sobe Organics, Inc., which does business as Lux Beauty Club, is an omni-channel platform that manufacturers and distributes a broad line of CBD infused products. It owns the CBD indie beauty brand, Lux Beauty Club, which sells online and to independents and subscription box retailers. The Company is considering divesting its interests in Sobe Organics Inc. as it intends to focus its attention on blockchain based businesses such as Amplify and iRecover.

The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, PEI and Newfoundland and its shares are listed on the TSX Venture Exchange ("TSXV") under the symbol NFK. The Company was transferred to the NEX board in July 2015. On May 28, 2018, in connection with the closing of the COB transaction and the Company's name change, the Company changed its stock

symbol to BITK. Effective August 3, 2018, the Company began trading on the U.S. OTC Market under the symbol BIDCF.

Amplify Games

Amplify Games was incorporated on February 1, 2021 under the laws of Delaware, and was launched by the Company on March 1, 2021. Amplify is a game distribution and promotion platform that takes the hassle out of the sales, promotion, and management of video games, allowing game studios to focus on what they do best, creating great video games. We allow the sale of any game key or license through our network, white labeled storefronts to support studios/communities, and connect studios to influencers to enhance the promotion of their games.

IRecover

On February 23, 2021, the Company incorporated IRecover under the laws of Delaware. IRecover offers online substance abuse education and support for middle, high school and college students.

RealBlocks

In June 2019, the Company acquired 185,625 shares of series seed preferred stock of RealBlocks for \$654,350 (US\$500,000). In October 2020, the Company invested an additional \$265,840 (US\$200,000) in RealBlocks to maintain its *pro rata* share in the RealBlocks. In the event that the Company converts its investment into common shares the Company's investment in RealBlocks would represent an approximate 5% interest in RealBlocks. RealBlocks is a modern blockchain-enabled platform that provides a global investment platform for alternative investments while improving the investment experience for wealth managers, advisors and investors.

Standard Power

On July 15, 2019 the Company entered into a business referral agreement with Standard Power wherein the Company, having connection with and to third-party entities in the business of mining Bitcoin and other cryptocurrencies, agrees to refer such businesses to Standard Power (the "**Referral Businesses**").

On July 22, 2019, the Company entered into a sale, assumption, and assignment agreement and income promissory note with Standard Power with respect to its S9J miners. Pursuant to the agreement, the Company was issued an income promissory note by Standard Power as sole and total consideration for the sale of the Company's equipment. The terms of the note state that it may be prepaid in full or in part at any time and from time to time. Interest is accrued at a rate of 10% per annum and is payable annually. The note shall expire on July 21, 2029. If the full payment cannot be made, within five days after the end of each calendar month, 50% of all net profits derived from the S9J Miners shall be paid to the Company.

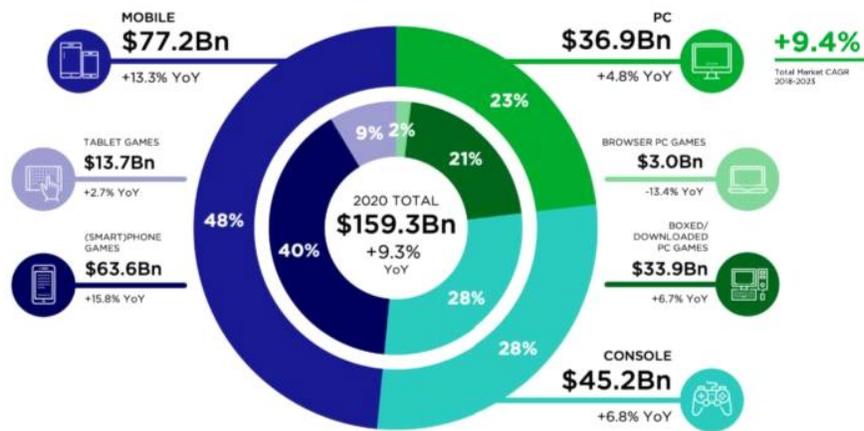
Standard Power provides infrastructure as a service to advanced data processing companies such as those focusing on blockchain mining and high-performance computing applications.

Amplify Games

The Company's primary focus is on disrupting digital game sales and the promotion of Amplify Games. With the launch of Amplify Games management believes that the Company will be positioned to take advantage of the expansive opportunity in the confluence of gaming and blockchain. Amplify is to serve as a hub in the gaming space for future BlockchainK2 companies to connect and sell into the game publishing market as well as influencers and esports.

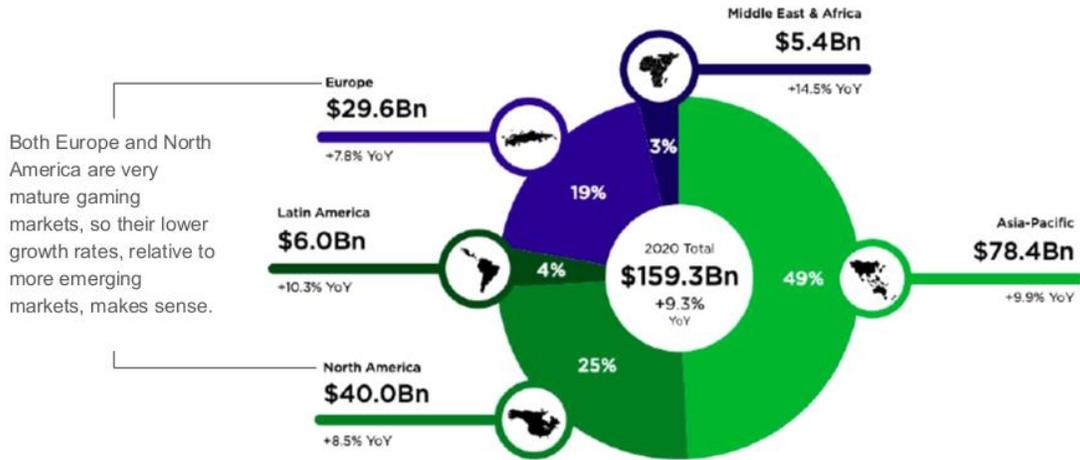
In 2020, the global gaming market was estimated to be approximately \$159 billion.

Global gaming market in 2020



Source: [NewZoo 2020 Global Games Market Report](#)

Market size, by region



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Source: [NewZoo 2020 Global Games Market Report](#)

It is also estimated that there are approximately 3.4 billion gamers worldwide.



*Varies based on the report

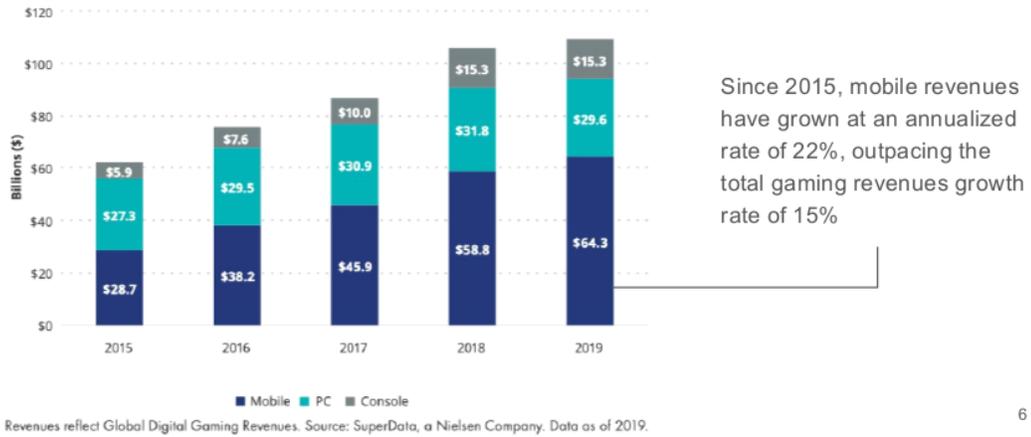
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Source: [WARC Data: Ad Opportunities in Gaming, July 2020](#)

The digital gaming industry is also growing with an annualized growth rate since 2015 of approximately 15%.

Digital gaming is growing

Gaming is exploding and gaming revenue currently are PC, console and mobile.

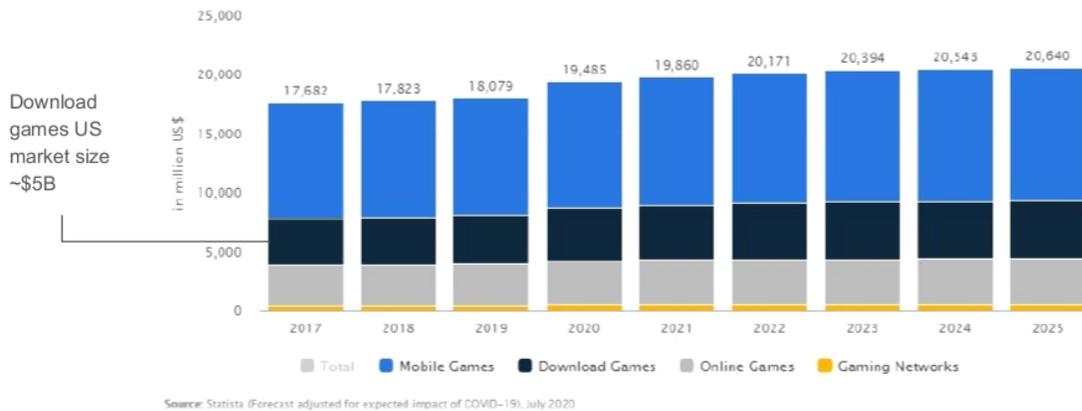


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Source: [2019 SuperData Report; VanEck Video Gaming & Esports Report](#)

Video game revenue in the United States is also forecast to continue growing.

Video games revenue in the U.S.



7

Source: [Statista \(Forecast adjusted for expected impact of COVID-19\), July 2020](#)

While the global gaming industry continues to grow across all markets, it remains structured in a way that primarily benefits game developers and perpetuates a one-directional flow of value where players spend money to unlock access to in-game assets and gameplay

configurations. In contrast, blockchain-built games and decentralized applications (dApps) enable players to capture the utility and value of in-game purchases and asset acquisitions more effectively.

Blockchain technology in gaming is driven by non-fungible tokens ("**NFTs**"), digital assets that represent in-game content. These tokens are unique, rare, and indivisible, while the blockchain networks that underpin NFTs facilitate player ownership, provable scarcity, interoperability, and immutability. Together, these advantages have the potential to drive mainstream adoption and a far more equitable value model.

The global gaming industry generates revenue across three market subsets: mobile, PC, and console gaming, which together are valued in the hundreds of billions of dollars and growing. However, while industry incumbents profit from this robust growth, players generate little lasting value for themselves. After investing in expensive consoles, PCs, or mobile devices, players enter gaming environments that offer a tiered-access user experience. In these traditional games, money flows in one direction: Players must spend money to access in-game content and exclusive features.

In contrast, blockchain-enabled games — many of which are [decentralized applications](#) ("**dApps**") — focus more heavily on generating value for players. This dynamic introduces a paradigm shift that allows players to better capture the utility and value of assets acquired through in-game purchases, regular gameplay, or promotional events. For instance, when a player purchases an armor upgrade in a traditional game, their only benefit is enhanced gameplay within the context of that one game. However, in a gaming ecosystem that utilizes cross-platform NFTs, the same armor can be [tokenized](#) in a way that transforms in-game purchases into transferable assets that may confer benefits across interconnected games or be exchanged for money or other digital assets.

Underlying blockchain networks enable the generation and deployment of these NFTs within multiple gaming environments. Because NFTs are unique and can be designed to retain value beyond the game in which they originated, blockchain-built games have the potential to expand gaming economies dramatically, establish new gaming categories, and fuel development of new games. To explore how this process might unfold, it's important first to understand NFTs.

Non-Fungible Tokens 101

NFTs aren't exclusive to the blockchain gaming industry. These tokens can represent digital and real-world assets like artwork, real estate, collectibles, and even personal identity. As a result, NFTs have a wide range of practical applications that appeal to multiple industries and use cases, and their adoption is accelerating. In contrast to most other digital tokens, NFTs exhibit three distinct characteristics:

- **Non-fungibility:** As the name implies, each NFT is a cryptographic token that represents something unique or [non-fungible](#), meaning it's not interchangeable with another NFT. The metadata inside each NFT exists as a permanent, unalterable record on the blockchain. This record describes what the token represents, similar to a certificate of authenticity, as well as the token's ownership history and transaction record (title). In contrast, many cryptocurrencies, such as bitcoin (BTC), ether (ETH),

and other [utility tokens](#), are [fungible](#) — i.e., one BTC is effectively identical to any other — and therefore are not unique in this sense.

- **Rarity:** The scarcity of each NFT is a crucial component of what makes them desirable. For instance, in the [CryptoKitties game](#), users collect and breed digital cats that are each embodied by a designated NFT. Some of these CryptoKitties are considered rare collectibles, which consequently increases their asking price among collectors who value their provable scarcity. In 2018, a CryptoKitty named Dragon sold for 600 ETH, which was the equivalent of \$170K at the time. (<https://www.digitaltrends.com>)
- **Indivisibility:** Cryptocurrencies like bitcoin are divisible into smaller units, given their fungibility and intended use as a medium of exchange. In contrast, most NFTs must be bought, sold, and held as a whole unit and are therefore indivisible — in the same way that you cannot purchase 10% of a concert ticket or 60% of a plane ticket.

The Benefits of Gaming NFTs

Although many NFTs use Ethereum's [ERC-721 token standard](#), NFTs are also prevalent on several other networks, such as [TRON](#) (Blockchain Cuties), [EOS](#) (EOS Knights), and [NEO](#) (Blocklords). The many benefits of decentralized gameplay include:

- **Ownership:** Traditional in-game purchases are one-time, non-transferrable investments that remain locked in a single gaming world. In contrast, using NFTs in gaming environments grants players ownership of their in-game assets instead of game developers. Through blockchain technology, gamers can save in-game purchases, sell them to other players, or move them into other supported games.
- **Provable Scarcity:** Collectors value rarity and authenticity, and the scarcity of in-game NFT purchases is provable through the immutable records embedded in an NFT's underlying blockchain network. This distributed public ledger validates the number and uniqueness of each NFT as well as its ownership history.
- **Interoperability:** Traditional online games exist on centralized servers. As such, in-game assets exist within proprietary systems that don't communicate with others. In contrast, decentralized games exist on independent blockchains that act as the backend framework for other interconnected games. As a result, game assets represented by NFTs can be designed to be interoperable across different environments. For instance, two games built on the [Ethereum network](#) can feasibly support the same in-game assets like vehicles, armor, or even entire characters.
- **Immutability:** When a traditional online game shuts down, users traditionally lose all of their in-game purchases. NFTs, however, exist independently of a specific gaming platform and live on the blockchain itself. As such, in-game purchases can be bought and sold regardless of what happens to the game, and new games can be designed

to plug into an existing blockchain protocol. Furthermore, blockchain-enabled game assets cannot be duplicated or tampered with because of the permanent record each NFT generates upon issuance.

NFTs and the Future of the Blockchain Gaming Industry

Although the adoption of NFTs in the gaming world comes with benefits, it also presents significant obstacles to overcome. Most notably, NFTs need to be made more appealing and intuitive to mainstream consumers who might not be technically oriented. As NFTs possess intrinsic value, there is a risk that some will be used predominantly as speculative assets. This potentiality could motivate players to purchase in-game assets with the hope of selling them for future profit instead of using the assets within the gaming ecosystem as intended.

Despite these challenges, the potential for profit within the gaming industry will motivate more non-blockchain-focused brands to experiment with NFTs, likely by forming partnerships with third-party blockchain projects that have the technical expertise needed to bring their vision to life. Simultaneously, the broader success of gaming dApps will likely play a role in further catalyzing NFT infrastructure improvements and drive the development of innovative solutions that unlock mainstream adoption.

As a result of the foregoing, the Company believes that the distribution and promotion of digital gaming is highly inefficient and fragmented. From launch to distribution and monetization, Amplify's automated, blockchain-powered service manages the sales and promotion of video games. Amplify offers services that suit the needs of game studios, influencers, and independent video game developers by solving the problems of today with technology that will empower the future of game distribution and promotion through the use of blockchain technology to change the current studio, publisher, influencer paradigm. Games and game assets uploaded to the Amplify Network are promoted by hundreds of influencers, are featured on thousands of blockchain-enabled storefronts and are viewed by over a hundred million gamers. Amplify monetizes this opportunity through its subscriptions and services and through the collection of sales fees from all sales across the Amplify network.

Amplify's automated, blockchain-powered service allows the codification of agreements between stores, studios, and influencers, provides immutable tracking of promotions, sales and distribution, and increases flexibility and monetization options including the use of NFTs. NFTs represent licenses and in-game assets that live natively on a blockchain. Management believes that NFTs are a great tool for selling licenses and in-game assets, like skins, cosmetics, art, and music. Licenses and in-game assets can be sold or traded between players after initial sale. Studios and influencers can earn royalties on all sales of NFTs that they generate, even after the first sale. NFTs within games naturally create a closed ecosystem that prevents counterfeit assets and fraud. Gamers have easy discoverability of any NFTs related to their favorite games.

The Company's management team has experience in the gaming industry and has close relations with a number of independent studios and game developers. Amplify Games is providing a "solution looking for a business". The gaming space is a crowded field but what

Amplify is doing is providing the blockchain infrastructure to allows independent game developers to sell directly to end users and influencers to connect with studios.

iRecover

iRecover Education is working to implement the findings and principles of behaviorism, social neurodevelopment, and behavioral economics in a blockchain-based application to support individuals recovering from addiction. Over 27 million people over the age of 12 have alcohol and drug abuse issues (<http://www.ncadd.org>) and an estimated 21.5 million people suffering from substance abuse require treatment, of which fewer than 2.6 million receive treatment. Alcohol and drug addiction costs the U.S. economy over \$600 billion every year including \$72 billion in insurance industry costs of emergency room visits due to painkiller abuse (American Addiction Centers investor relations presentation, <https://americanaddictioncenters.org>). It is estimated that people with addiction issues that seek any kind of treatment have 80% better outcomes compared to those that do not seek treatment. An estimated 59,000 to 65,000 people died from drug overdoses in 2016, up 19% from 2015 (New York Times, <https://www.nytimes.com>). It is estimated that in the United States there is a \$50 billion addiction industry which is growing rapidly. There are an estimated 14,000 for profit behavioral health/ substance abuse facilities in the US, serving an estimated 2.6 million patients annually (<https://www.samhsa.gov>; <https://drugfree.org>).

Similar to the NFTs utilized in Amplify Games, the Company is planning on offering a socially responsible "Recover Coin" that friends, family, rehabilitation facilities, and mental health professionals can purchase and give regularly to substance addiction patients in recovery. The Company's blockchain software/ app will record recovery milestones e.g. attendance at AA meetings, outpatient counseling, calls with one's sponsor and release Recover Coins that can be exchanged for Starbucks, Apple iTunes, Amazon gift certificates. This large number of substance abuse patients provides the Company with an opportunity to assist in the development of a recovery plan through the use of the Recover Coin concept. A 5% penetration rate of 27 million substance abuse population (est. 1.3 million patients) and a \$520 annual spend on Recover Coins by friends and family implies an annual recurring Recover Coin Sales in the \$700 million range.

Substance abuse is a chronic disease, with relapse rates in the 40-60% range , consistent with recurrence rates of other chronic diseases (<https://www.drugabuse.gov>, JAMA). Many patients go to rehab multiple times. Typically, rehab centers lose track of patients once they leave the facility. There is little long term coordination post inpatient treatment (e.g. outpatient rehab, group therapy, sober living, AA/ NA meetings, regular contact with sponsor). Insurance companies also lack data on continuity of care. Reimbursement policies/determination of care coverage are often based on nebulous, qualitative assessments with little tracking post inpatient rehab. The industry is shifting from fee for service to fee for outcomes. Friends and family must also rely on the word of substance abuse patients as to adherence to post rehab treatment/ protocols resulting in suboptimal dynamic of pestering/ evading.

The Recover Coin App will record a patient's adherence to post rehab protocols (e.g. meeting outpatient rehab/ sober living milestones, attending AA/ NA meetings, speaking with one's sponsor regularly). Each "milestone event" will be recorded anonymously on a

blockchain that can only be accessed with patient consent by healthcare professionals and insurance companies.

Consistent with a theory espoused by a recent Nobel Prize Winner in Economics, nudging can influence behavioral outcomes. For example, patient adherence to taking medications can be influenced by small, regular and recurring rewards as evidenced by Starbucks' partnership with CVS and Walgreens to offer coffee with prescription drugs to patients non-adherent with their medications. The Recover Coin App will record milestone events in a patient's post rehab recovery (e.g. talking with one's sponsor regularly). Friends/ family, rehab facilities, and health care professionals will purchase Recover Coins to be sent to patients in recovery who have met predetermined milestones. Patients rewarded with Recover Coins may exchange them for rewards like Starbucks, iTunes, Amazon gift certificates.

Recover Coin plans to add additional modules to reward health and wellness behavior in sectors including tobacco, fitness/ exercise, sleep hygiene and safe driving. There is also a long term potential to provide data on efficacy of treatments/tracking of patients which can be sold to insurance companies, healthcare companies, and governments which would bring data analytics to an industry deficient in transparency, measurement metrics and results.

In order to implement its roll-out of Recover Coin, the Company plans to engage social media (Facebook, Instagram, Twitter, etc.) including through celebrity videos on their addiction and sobriety journey/ promote Recover Coin and health industry/ government influencers. The Company also plans to joint venture with inpatient/outpatient rehab facilities, sober living homes, infirmaries, clinics, wilderness programs, and consultants.

Successful contingency management technology platforms typically require Phase I and Phase II clinical trials with academic institutions according to NIH empirical evidence protocols. These typically take several years and several million dollars. Competitors with similar commercial offerings in the market include: Pear Therapeutics; Chess Mobile Health, Wisconsin, DynamiCare Health, and Q2i-group.

RealBlocks

Today, many real estate and alternative investment managers are limited to raising capital locally. With RealBlocks, managers will be able to raise capital globally through the platform's connectivity with institutional and intermediary channels. According to Preqin by 2023 the market's Assets Under Management (AUM) is expected to grow to \$14.0 Trillion ([Preqin Future of Alternatives Report, October 2018](#)). In 2020, RealBlocks had 118 new deals in progress in the alternative investments and defined contribution spaces with approximately \$15 billion in deal flow in its pipeline. RealBlocks also had approximately \$305 million in capital committed from its clients.

Standard Power

Standard Power provides infrastructure as a service to advanced data processing companies including those focused on blockchain mining and high-performance computing applications. Standard offers server management and colocation services with reliable, secure, and efficient infrastructure at a low power price. Standard Power has locked in long-

term power costs of \$0.035 per kwh for its mining operations which allows it to maintain profitability when other facilities would have to shut down due to high energy rates. With a 200MW site capacity and their current infrastructure, management believes that Standard Power is positioned to become one of the leading cryptocurrency mining operations in the industry. MGT Capital Investments, Inc. (OTCQB:MGTI), one of the largest US crypto mining operations, has already installed profitable mining operations at Standard Power's Ohio location.

DESCRIPTION OF THE BUSINESS

General

Summary

Until 2015, the Company's principal business was the exploration and development of oil and gas properties. In 2016, the Company confirmed that it had determined that at such date, the Company was no longer engaged, directly or indirectly, in oil and gas activities.

In 2017, the Company announced that it would be entering the business of mining cryptocurrency. Subsequently, the Company diversified into the various other fields set out in "General Development of the Business".

Products and Services

See "*General Development of the Business*".

Competition and Market Participants

Amplify Games

Amplify Games does not compete with any of the major game distribution platforms like Epic Games or Steam, because it allows for the sale of any game key. The company is also the first to utilize blockchain technology in this space.

There are two main ones that are competing against pieces of what Amplify Games is doing as there is not a company that is combining the services and network together like the Amplify Games:

Genba Digital - Genba Digital is a game store aggregator that allows studios to sell games across the list of stores that they have relationships with.

KeyMailer - KeyMailer supports influencers marketing and allows studios to send out mailing lists to influencers to give them game keys for reviewing and promoting their games.

iRecover

iRecover has no real competition that exists in the marketplace today that rewards performance via an application for rehabilitation of addiction.

RealBlocks

RealBlocks' competitors include firms that offer increased access to alternative investment offerings, and firms that provide secondary trading capabilities for the alternative and private markets:

iCapital - iCapital was founded in 2013 with the goal of making high-quality alternative investments accessible to wealth advisors and their high-net-worth investors, and enabling fund managers to reach new sources of capital. Since then, iCapital has rapidly attracted clients, partners, and investors and is well on its way to building the world's alternative investment marketplace. As of December 31, 2019, iCapital has \$46.6 billion in assets on the platform - up from \$9 billion in 2018.

iCapital has received \$80 million in funding from BlackRock, Blackstone, BNY Mellon, and others, with a valuation of \$700M, according to Pitchbook.

CAIS - CAIS is a financial product platform offering wealth managers access to a diversified menu of funds and products.

They provide streamlined execution to a list of alternative investments, capital markets syndicate offerings, structured solutions and real assets. Their platform delivers a suite of portfolio construction and reporting tools, and complements its fund offering with independent due diligence provided by Mercer.

As of July 2019, CAIS' total platform volume exceeds \$8 Billion.

Artivist - Artivist aims to simplify investing in alternatives. Artivist fuses technological, regulatory and operational expertise into a seamless marketing, investing, and reporting experience that extends the benefits of alternative investments to high-net-worth individuals. Artivist is the nexus connecting all participants, bringing insight and access to exceptional investing.

In 2015, Artivist raised a \$15M Series A led by Kohlberg Kravis Roberts.

NASDAQ Private Markets - Nasdaq Private Market is a leading provider of liquidity solutions for private companies and private funds. Since its inception in 2013, Nasdaq Private Market (NPM) has completed over 230 liquidity programs and facilitated more than \$19 billion in transaction volume for today's leading private companies.

Nasdaq Private Market provides a uniform, end-to-end platform to streamline secondary transactions from setup and onboarding through cash settlement. Their technology offers flexible models to support private company and private fund transactions. Additionally, they work with institutional buyers focused on secondary investment opportunities in private assets of companies and funds.

MEMX - Nine of the largest financial services companies, including Morgan Stanley, Virtu Financial Inc. and Citadel Securities LLC, established MEMX in 2019 to create a simplified and transparent trading venue.

According to a press release issued by the exchange, MEMX's mission is to "increase competition, improve operational transparency, further reduce fixed costs, and simplify the

execution of equity trading in the U.S.” The exchange aims to offer a simple trading model with basic order types, the latest technology, and a simple, low-cost fee structure.

Standard Power

The cryptocurrency mining industry is highly competitive, as there are many existing online companies that offer cryptocurrency cloud mining services, as well as companies, individuals and groups that run their own mining farms. Miners can range from individual enthusiasts to professional mining operations with dedicated data centres, including those of the kind operated by the Company’s principal publicly-listed competitors. Some of the largest competitors operating in the cryptocurrency mining industry include: DMG Blockchain Solutions Inc. (TSXV: DMGI), Hut 8 Mining Corp. (TSX: HUT), Hive Blockchain Technologies Ltd. (TSXV: HIVE), Riot Blockchain, Inc. (NASDAQ: RIOT), Marathon Patent Group Inc. (NASDAQ: MARA), Bitfarms Ltd. (TSXV: BITF), and Argo Blockchain Plc (LSE: ARB).

The vast majority of mining is now undertaken by mining pools, whereby miners organize themselves and pool their processing power over a network and mine transactions together. Rewards are then distributed proportionately to each miner based on the work / hashpower contributed. Mining pools became popular when mining difficulty and block time increased. While the rewards for successfully solving a block become considerably lower in the case of pooling, rewards are earned on a far more consistent basis, reducing the risk to miners with smaller computational power. Mining pools generally exist for each well-known cryptocurrency. [Miningpoolstats.stream](https://miningpoolstats.stream), a website that tracks known mining pools with realtime live pool hashrate distribution lists the top five known Bitcoin mining pools and their approximate market shares as of January 12, 2021 as follows: f2pool.com (17.1%); poolin.com (13.0%); binance.com (12.8%); pool.btc.com (12.1%); and huobipool.com (11.0%).

Data analysis and forensic investigation in the blockchain/cryptocurrency industry is an emerging market. Despite the explosive growth in the space in recent years, barriers to entry are very high, as technical and research and development requirements are onerous and highly proprietary. The COVID-19 pandemic has spurred a rapid movement toward the mainstream adoption of cryptocurrency on a global basis. Greater regulation will accompany wide-spread cryptocurrency usage, and together these will increase the future customer pool by magnitudes.

Other market participants in the cryptocurrency industry include investors and speculators, retail users transacting in cryptocurrencies, and service companies that provide a variety of services including buying, selling, payment processing and storing of cryptocurrencies.

Revenues for Fiscal 2020 and Fiscal 2019

The breakdown of the Company’s revenues for the financial year ended September 30, 2020 and financial year ended September 30, 2019 is as follows:

Product/Service Category	For the year ended September 30, 2020	For the year ended September 30, 2019
Consulting and other revenue	\$ 35,856	\$ Nil
Total	\$ 35,856	\$ Nil

Employees

As of the date of this AIF, the Company had six employees (excluding independent directors). The Company also utilizes temporary and/or contract employee labour on an as-needed basis.

Foreign Operations

As at the date of this AIF, the Company has operations in Atlanta Georgia, Danbury Connecticut and in Cross River New York.

Cycles

The Company's business and operations are not affected by seasonality.

Specialized Skill and Knowledge

All aspects of the Company's business require specialized knowledge and technical skill and such knowledge and technical skills include the areas of blockchain technology, research and development, digital currency market, security, forensics, power markets, data centre expertise, sales and marketing, as well as legal compliance, finance and accounting. The Company has been able to locate and retain competent employees and consultants in such areas and believes it will continue to be able to do so.

Government Regulation

With wider adoption of cryptocurrency underway, the groundswell movement to introduce and implement regulatory regimes and controls to safeguard investors will continue to grow and will be spurred on by the entry of global corporations, hedge funds, family offices, and institutional investors into the cryptocurrency sector.

There have been recent flurry of announcements in the cryptocurrency industry that will likely have the effect of driving forward regulation while simultaneously adding legitimacy to the sector. On December 16, 2020, [Massachusetts Mutual Life Insurance Co.](#), an insurance company, announced that it bought USD\$100 million worth of Bitcoin. On December 21, 2020, [MicroStrategy Inc.](#) (NASDAQ: STR), a company that provides business intelligence software and related services, announced it has purchased over USD\$1billion in Bitcoin in 2020. On January 4, 2021, the US Office of the Comptroller of the Currency issued a statement clarifying the legal framework for banks and financial institutions to work with cryptocurrencies and, more specifically, nodes and stable coins.

A part of the Company's business involves providing services and products for the regulation of the cryptocurrency market.

Research and Development

The Company believes that research and development is a principal competitive advantage in its industry and that much of the Company's future success will depend on its ability to maintain its technological leadership by:

- identifying and responding to emerging technological trends in the cryptocurrency industry and the Company's target sectors;
- designing, developing and maintaining competitive solutions that take into account customers' changing needs; and
- continuing to enhance existing products by improving performance and adding features and functionality to meet the requirements of our customers.

RISK FACTORS

In addition to the other information contained in this AIF, investors should give careful consideration to the following factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. If any of the following events described as risks or uncertainties actually occurs, the business, prospects, financial condition and operating results of the Company may suffer a material adverse effect. In that event, the market price of the Common Shares could decline and investors could lose all or part of their investment. Additional risks and uncertainties presently unknown, or that are not believed to be material at this time, may, if realized, also impair or have a material adverse effect on the Company's operations. In addition to the risks described elsewhere and the other information contained in this AIF, prospective investors should carefully consider each of and the cumulative effect of all of the following risk factors. There is no assurance that management of the Company will be able to take adequate steps in order to mitigate or avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

An investment in the Company is speculative and involves a high degree of risk due to the nature of the Company's business. The risk factors noted below do not necessarily comprise all risks faced by the Company. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business, operations and future prospects. If any of the known or unknown risks and uncertainties actually occur, our future business may be harmed and our financial condition and results of operations may suffer significantly.

Global Pandemic (COVID-19)

In March 2020, the World Health Organization declared coronavirus COVID-19 ("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, leading to an economic downturn. The extent and duration of the COVID-19 pandemic, the reactions of governments, private sector participants and the public to the pandemic and the associated disruption to business and commerce generally, and the extent to which these will continue to affect our business, financial condition and results of operation in particular will all depend on future developments which are highly uncertain and many of which are outside the control of the Company and cannot be predicted with confidence. Such developments include the ultimate geographic spread, intensity and duration of the pandemic (including the possibility of additional waves), potential mutations of the COVID-19 virus, the ability of governments to administer COVID-19 vaccines to the public in a timely manner, new information which may

emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain COVID-19 or address its impact (including any potential increase in the duration or intensity of restrictions on public gatherings, restrictions on the operation of non-essential businesses), short and longer-term changes to travel patterns or travel restrictions imposed by governments and the other economic impacts of the pandemic and the reactions to it.

Given the uncertainties, we cannot predict the extent or duration of the COVID-19 pandemic and the reactions to it, including the possibility that it may result in a prolonged global recession and may also have the effect of exacerbating the potential impact of the other risks disclosed in this Risk Factors section. The Company cautions that current global uncertainty with respect to the spread of COVID-19 and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of COVID-19 on the Company's business and operations remain unknown, the rapid spread of COVID-19 could have a material adverse effect on global economic activity, and can result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, all of which may have a material adverse impact on the Company's business, financial condition and operations.

As of the date of this AIF, the Company has not had any confirmed cases of COVID-19 among any of its employees or contractors. The Company is adopting the advice of public health authorities and adhering to government regulations with respect to COVID-19 in the jurisdictions in which it operates. The following measures have been instituted across the Company to prevent the potential spread of the virus: (i) indefinite closure of its corporate offices in Vancouver; (ii) employees are working remotely; (iii) social distancing practices have been implemented for any and all in-person meetings, with meeting participation via teleconferencing strongly encouraged; (iv) elimination of all non-essential business travel; (v) required 14-day quarantine for any employees returning from out of country travel.

The Company transitioned its Vancouver office to working from home in mid-March of 2020, and, after some initial adjustments, has seen no interruption to its workflow. The Company continues to monitor daily COVID-19 government updates and will continue to alter its practices as necessary in accordance with the guidance issued by the Health Canada and the Province of British Columbia.

Risk Related to Our Business and Our Industry

We have a history of operating losses and negative cash flow, and we may never achieve profitability.

We have a history of operating losses and negative cash flows and may continue to incur operating losses and negative cash flows in the future. For the fiscal years ended September 30, 2020, 2019 and 2018, our operating losses were \$320,800, \$684,729 and \$2,573,163, respectively. These operating losses have been generated as we attempt to implement our business plan, including expanding our existing products and services, acquiring additional technology, marketing to clients and customers and otherwise growing our business. We cannot assure you that our revenue will increase, or whether we will ever operate profitably. We anticipate that our operating expenses will increase substantially in the foreseeable future as we increase our sales and marketing activities and continue to develop our technology, products, projects, and services. For example, we will need

additional funds to add to our content library and for development costs incurred to develop new games and redevelop our retro games, for production costs incurred in connection with the development of film and television projects, costs related to our cloud-based network initiative, for licensing and distribution expenses, and for the development and launch of our online direct-to-consumer distribution platform. These efforts may prove more expensive than we currently anticipate, and we may incur significant additional costs and expenses in connection with our business development activities. In addition, our film and gaming content creation operations are relatively capital intensive, while revenue-generating opportunities depend on the availability of projects in the market. All of these costs and expenses could prevent us from achieving or maintaining profitability in future periods.

Our limited operating history and our evolving business make it difficult to evaluate our results of operations and prospects.

Our limited operating history and evolving business make the prediction of our future results of operations difficult. You should consider our business and prospects in light of the risks, uncertainties and challenges that we will face as a gaming, television, film media and entertainment company focused on developing and expanding our products, services and operations, and which operates in highly competitive, rapidly evolving, and challenging markets. See *“The industry in which we operate is intensely competitive. If we are not able to effectively compete, including because customers and consumers prefer competitors’ products or services over our own, our operating results could suffer”* and *“Our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services”* below. If we fail to address the risks and challenges that we face, including those described elsewhere in this *“Risk Factors”* section, our business, financial condition, results of operations, cash flow and prospects could be adversely affected.

We require additional financing to sustain and expand our operations, and we may not be able to obtain financing on acceptable terms, or at all, which would have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

We have limited capital, and we do not currently generate sufficient cash from our business to fund our operations. Our financial statements as of and for the fiscal year ended September 30, 2020 included a going-concern qualification, which expresses doubt about our ability to continue as a going concern based on our estimate that we did not have sufficient working capital to meet our liabilities and commitments as they become due for the upcoming 12 months and, therefore, need to obtain additional financing. Our ability to operate profitably is dependent upon, among other things, obtaining substantial financing, developing our products and services and otherwise implementing our business plan. We will require additional capital to fund operating deficits, to pursue our growth strategy through developing or acquiring new products, content or services or engaging in acquisitions of complementary businesses, to establish and expand our marketing capabilities, and to finance general and administrative activities. At March 1, 2021, we did not have available borrowing capacity under any bank credit facility or other working capital

line for us to borrow funds for working capital or other general corporate purposes. We may not be able to service or refinance our existing indebtedness or obtain debt or equity financing opportunities on favorable terms, if at all, which could impair our growth and adversely affect our existing operations. See *“Our existing indebtedness, or indebtedness that we may incur in the future, could adversely affect us, and the terms of any debt covenants could limit how we conduct our business and our ability to raise additional funds”* below for a discussion of risks related to debt financing. If we raise equity financing, our shareholders may experience significant dilution of their ownership interests, and the per share value of our common shares could decline.

Under current SEC regulations, because our public float is less than \$75 million, and for so long as our public float remains less than \$75 million, the amount we can raise through primary public offerings of securities in any 12-month period using shelf registration statements is limited to an aggregate of one-third of our public float (referred to as the “baby shelf” rule). As of September 30, 2020, the aggregate market value of our outstanding common stock held by non-affiliates, or public float, was approximately \$16,720,723, based on 47,039,893 outstanding common shares, of which 45,191,143 common shares were held by non-affiliates, at a price of \$0.37 per share, which was the last reported sale price of our common shares on the TSX Venture Exchange on September 30, 2020. If our public float decreases, the amount of securities we may sell under our shelf registration statement may also decrease.

If we do not have, or are not able to obtain, sufficient funds, we may have to delay strategic acquisitions and other opportunities, investments, or projects, and, even if we are ultimately able to subsequently secure financing, such opportunities, investments or projects may not still be available to us on favorable terms or at all. If we are unable to raise adequate funds, we may have to liquidate some or all of our assets, or delay, reduce the scope of, or eliminate some or all of our creative work. Any of these actions could delay or otherwise inhibit our growth, weaken our ability to effectively compete in our industry, and otherwise have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Our existing indebtedness, or indebtedness that we may incur in the future, could adversely affect us, and the terms of any debt covenants could limit how we conduct our business and our ability to raise additional funds.

As of our fiscal year ended September 30, 2020, we had total principal indebtedness of approximately \$107,947, including under third-party loans and our credit facility. Our ability to generate and maintain a level of cash flows from operating activities to make scheduled payments on our debt obligations, or to refinance our debt obligations, depends on our future financial and operating performance, which is subject to prevailing economic and competitive conditions and to various financial, business, regulatory and other factors, some of which are beyond our control. If we are unable to fund our debt service obligations, we may be forced to reduce or delay capital expenditures or sell assets, seek additional capital or seek to restructure or refinance our indebtedness. Further, our indebtedness may impair our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, restructuring, acquisitions or general corporate purposes. We may

also incur substantial additional indebtedness in the future. If new debt or other liabilities are added to our current debt levels, the related risks that we and our subsidiaries now face, as described above, could intensify.

In addition, any agreements governing our debt obligations may contain financial covenants and covenants that restrict our ability and the ability of our subsidiaries to:

- incur additional indebtedness or issue common or preferred shares;
- create liens on our assets;
- pay dividends or make other equity distributions;
- repurchase our shares;
- purchase or redeem equity interests or debt;
- make certain investments;
- sell assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- engage in transactions with affiliates.

As a result of these covenants, we could be limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

We may not be able to successfully implement our business plan.

Our business plan focuses on growing our business both organically and through strategic acquisitions and other arrangements. We cannot guarantee that our vision for a vertically-integrated, cloud-based global studio, producing content for all platforms through a network of shared services will be successful, or that we will be able to develop our gaming and media content, acquire additional content for development and franchising, or create the cloud-based network for global content development as contemplated by our business plan. In addition, we are developing and launching an online direct-to-consumer distribution platform, the success of which is subject to significant challenges; accordingly, we may not be successful in doing so. See “*We may not be successful in developing or launching our online direct-to-consumer distribution platform*” below.

The potential growth of our business may depend upon our ability to consummate strategic acquisitions, which will depend on the availability of, and our ability to identify, suitable candidates; acquisitions we pursue could result in operating and other difficulties relating to integration of new businesses into our existing business, dilution to our shareholders and other consequences harmful to our business.

We have previously engaged in strategic transactions, including with respect to acquisitions of technology, content and other assets relating to our business, and, as part of our growth strategy, we intend to continue to pursue strategic acquisitions of businesses, intellectual property and other assets that are complementary to our existing business and may expand

our employee base, our content portfolio or the breadth of our product or service offerings. Our ability to grow through future acquisitions will depend on the availability of, and our ability to identify, suitable acquisition and investment opportunities at an acceptable cost, our ability to compete effectively to attract those opportunities and the availability of financing to complete acquisitions. We may face significant competition in executing our growth strategy. Future acquisitions or investments could involve our issuance of equity interests as consideration, resulting in dilution of our existing shareholders (see “*Future capital raising efforts may be dilutive to our shareholders, result in increased interest expense in future periods or depress our share price*” below), use of significant cash balances or incurrence of debt, contingent liabilities or amortization expenses related to intangible assets, any of which could adversely affect our business, financial condition, results of operations, cash flow and prospects. The benefits of an acquisition or investment may also take considerable time to develop, and we cannot be certain that any particular acquisition or investment will produce the intended benefits in a timely manner or to the extent anticipated or at all. Integration of a new company’s operations, assets and personnel into ours will require significant attention from our management, and the diversion of our management’s attention away from our business and any difficulties encountered in the integration process could harm our ability to manage our business. Future acquisitions will also expose us to potential risks, including risks associated with any acquired liabilities, the integration of new operations, technologies and personnel, unforeseen or hidden liabilities and unanticipated, information security vulnerabilities, the diversion of resources from our existing business, sites and technologies, the inability to generate sufficient revenue to offset the costs and expenses of the acquisitions, potential adverse tax and accounting effects, challenges relating to entering markets in which we may have limited or no prior experience and in which competitors may have a stronger market position, and potential loss of, or harm to, our relationships with employees, customers, consumers and suppliers as a result of integration of new businesses.

The industry in which we operate is intensely competitive. If we are not able to effectively compete, including because customers and consumers prefer competitors’ products or services over our own, our operating results could suffer.

We operate in a highly competitive industry, characterized by pressure to innovate, expand feature sets and functionality, accelerate new product releases and reduce prices. See “*Our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services*” below. We compete with other entertainment video providers, such as multichannel video programming distributors, streaming entertainment providers, video gaming providers and more broadly against other sources of entertainment that consumers could choose in their moments of free time. We also compete against streaming entertainment providers and content producers in obtaining content for our business, both for licensed streaming content and for original content projects. Our competitors range from large established companies to emerging start-ups, and we expect new competitors to continue to emerge throughout the world. Some of our competitors have longer operating histories, large customer bases, stronger brand recognition, exclusive rights to certain content and much greater financial, marketing and other resources, which may enable them to obtain more favorable terms from third parties, adopt more aggressive

pricing and devote more resources to the development of their businesses. If we are unable to successfully or profitably compete with current and new competitors, our business will be adversely affected, and we may not be able to gain market share, earn revenue or become profitable.

In the gaming industry in particular, both the online and mobile games marketplaces are characterized by frequent product introductions, relatively low barriers to entry, and new and evolving business methods, technologies and platforms for development. We expect competition in these markets to intensify. If our competitors develop and market more successful products or services, offer competitive products or services at lower price points or based on payment models perceived as offering a better value proposition, or if we do not develop (or we are unable to otherwise acquire) consistently high-quality and well-received products and services, we may not be able to gain market share, earn revenue or become profitable. In addition, though many new products and services are regularly introduced in the gaming industry, only a relatively small number of “hit” titles accounts for a significant portion of total revenue for the industry, and the availability of significant financial resources is a major competitive factor in the production of high-quality products and in the marketing of products that are ultimately well-received. See “*Our growth relies on market acceptance*” below. Hit products or services offered by our competitors may take a larger share of consumer spending than we anticipate, which could cause revenue generated from our products and services to fall below expectations. In addition, we do not have a significant number of titles within our portfolio (whether developed by us or acquired from third parties), and the underperformance of a title may have a significant, adverse impact on our financial results. Our success and our ability to effectively compete depends, in part, on our ability to expand our portfolio of titles, but we may be unsuccessful in developing such titles in a timely manner or at all, and we may face challenges in acquiring such titles due to competition or our inability to secure financing to acquire such titles.

Our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services.

Rapid changes in our industry require us to anticipate the ways in which our products and services will be competitive in the market and try to predict and prepare for rapid changes in consumer demand that could materially alter public preferences for different forms of entertainment and leisure activities. The entertainment industry in general, and the gaming, television and film subindustries thereof in particular, are rapidly evolving, primarily as a result of free content, minimal entry costs for creation and distribution, expanded use of mobile devices and increased demand for content, all of which may prevent us from being able to accurately predict the overall effect that technological growth or new business strategies and delivery models may have on our potential revenue and profitability. In order to remain competitive, we must respond successfully to ongoing changes in consumer behaviors related to entertainment, particularly those behaviors related to the consumption of video and gaming content. Developments in technology have led and are likely to continue to lead to new methods for the distribution of video and gaming content and changes in when, where and how people consume such content. These changes pose risks to the traditional television, film, movie theater and gaming console industries, including, for

example, the disruption of the traditional movie theater and television content distribution model by on-demand, streaming and other online and mobile services, which are increasing in number and some of which have significant and growing subscriber/user bases. This has resulted in changes in consumers' expectations regarding the availability and packaging of video content, their willingness to pay for access to such content, their perception of what quality entertainment is and how much it should cost, and the ease for a consumer to unsubscribe or switch. We believe the coronavirus ("**COVID-19**") pandemic, in particular, has accelerated many of these changes, including, in part, due to government stay-at-home orders that have shifted the way in which consumers are able to access entertainment, increasing the demand for on-demand, streaming and other at-home content delivery methods and simultaneously decreasing the demand for out-of-home entertainment, including at movie theaters. We are not able to predict when movie theaters will be reopened, whether consumers will attend these venues at the same levels they previously did, and whether revenues from theatrical releases will be comparable to historical levels. We try to anticipate changes, shifts and challenges, and, as a result, we have invested, and in the future may invest, in new business strategies, technologies, distribution methods, products, and services. These investments may not achieve expected returns and may be insufficient to cover our investment and development costs. Such endeavors may involve significant risks and uncertainties, and the technology we choose to implement, the business strategies we choose to adopt and the products and services that we pursue may not ultimately be successful. If we do not successfully evolve our business in a manner that meets or exceeds user expectations, our business, financial condition, results of operations, cash flow and prospects may be adversely impacted.

Further, our competitors may adapt to an emerging technology or business model more quickly or effectively than we do, creating products that are technologically superior to ours, more appealing to consumers, or both. If, on the other hand, we elect not to pursue the development of products incorporating a new technology or for new platforms that achieve significant commercial success, our ability to meet consumer demands and effectively compete in our industry may be adversely affected. Adopting and incorporating new technology or adjusting to a new platform may require significant time and resources to shift product development resources to that technology, platform or business model, as the case may be, and may not enable our products to compete with our competitors' existing products or platforms. Any failure to successfully adapt to, and appropriately allocate resources among, emerging technologies and to keep pace with rapid technological or other change in the industry could negatively impact our business and prevent us from achieving profitability or sustaining a meaningful market position.

We may not be successful in developing or launching our online direct-to-consumer distribution platform.

We are developing and launching an online direct-to-consumer distribution platform that would both allow us to bring our portfolio of content to market independently and serve as a platform for other content creators (whether filmmakers, makers of video games or otherwise) to self-distribute their content directly to consumers. The development of this platform is a relatively new endeavor for us, and we may not be successful in developing or launching our platform. The market for our platform, both for content creators and

consumers, is relatively new and the development and launch of our platform is subject to significant challenges. Our business plan with respect to our distribution platform relies significantly upon our ability to develop the technology and systems underlying our platform, as well as obtaining market acceptance, developing brand recognition and building and growing a base of users of the platform through marketing and user engagement efforts. We may not be successful in any of these efforts, or we may not be able to do so in a timely, cost-effective manner; accordingly, the future prospects for revenue and profitability relating to our distribution platform are uncertain and difficult to evaluate. In addition, our new distribution platform could fail, resulting in the loss of our investment in the development and infrastructure needed to support the platform, as well as the opportunity cost of diverting management and financial resources away from our existing businesses and other opportunities.

We may fail to launch new products and services, in a timely manner or at all, and, when launched, our new products and services may not be commercially successful.

In order for our business plan to succeed over time, we will need to license, acquire, or develop new digital entertainment products and services that can generate additional revenue and diversify our revenue sources. A number of factors, including technological difficulties, government approvals and licenses of intellectual property rights required for launching new products and services, lack of sufficient development personnel and other resources, and adverse developments in our relationship with the licensors of any licensed products could result in a delay in launching our new products and services.

There are many factors that may adversely affect the popularity of our new products and services. For example, we may fail to anticipate and adapt to future technological trends and new business models, fail to satisfy consumer preferences and requirements, fail to effectively plan and organize marketing and promotion activities, fail to effectively detect and prevent programming errors or defects in the products, and fail to operate and offer our new products and services at acceptable costs. We cannot assure you that our new products and services will gain market acceptance and become commercially successful. Our inability to license, develop or acquire additional digital entertainment products and services that are commercially successful may impact our ability to effectively compete and will adversely affect our ability to generate revenue and achieve or maintain profitability in the future. If our games, streaming content and other entertainment offerings do not meet consumer expectations, whether because they fail to function as advertised, as consumers expect or otherwise, our sales may suffer, and our business may be negatively impacted.

Our growth relies on market acceptance.

There may not be broad market acceptance of any of our game, television, or film offerings or services, including our online direct-to-consumer distribution platform that we are developing. There also may not be broad market acceptance of our offerings if our competitors offer products or services that are preferred by prospective consumers of our products and services. Consumers consider many factors when evaluating our products relative to those of our competitors, including innovation, ease of use, price, feature sets, functionality, reliability, performance, reputation, and training and support, and we may not

compare favorably against our competitors in any or all respects. Our efforts to attract and retain customers and to effectively compete with our competitors may not be successful in the near future, or at all, and our competitors may expend significant resources and otherwise engage in similar efforts that result in their taking of significant market share. If we fail to develop new products and to manage new product introductions and transitions properly, or if our offerings do not receive market acceptance, our costs may not be recouped, and profits may not be realized to the extent anticipated or at all. Revenue from existing or future programming may not replace any loss of revenue associated with the cancellation or unsuccessful commercialization of any particular production, and our business, financial condition, results of operations, cash flow and prospects could be harmed.

Our products may not receive favorable reviews or ratings or perform well, and third parties may not, or may not continue to, do business with us or promote our products or services, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Because the performance of our products, including, in particular, television and film programs, is often directly related to reviews from critics, ratings and other industry experts, poor reviews or ratings may negatively affect future revenue. Our results of operations will depend, in part, on the experience and judgment of our management to select and develop new investment and production opportunities. Our products may not obtain favorable reviews or ratings, and, as a result, third parties may not, or may not continue to, do business with us or promote our products or services. For example, if one or more of our film or television programs receive negative reviews and ratings, broadcasters may not license the rights to broadcast any of programs in development or renew licenses to broadcast the programs in our library, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flow or prospects.

Licensed distributors' decisions regarding the timing or release of and promotional support for our films, television programs and related products are important in determining the success of these films, programs and related products. We do not control the timing and manner in which our licensed distributors distribute our films, television programs or related products. Any decision by those distributors not to distribute or promote one of our films, television programs or related products or to promote competitors' films, programs or related products to a greater extent than they promote us could have a material adverse effect on our business, financial condition, results of operations, cash flow or prospects.

We are subject to product development risks that could result in delays and additional costs, and we must adapt to changes in software technologies.

We depend on our internal development studios and third-party software developers to develop new interactive entertainment software within anticipated release schedules and cost projections. For example, the development cycle for emulated video games, meaning games that can be played on a computing device that emulates a video game console, generally ranges from three months to 12 months, and, for new titles, six months to two years. Therefore, our development costs can be substantial. Since many of our developers

have been working from home due to the global COVID-19 pandemic, we have had to implement additional procedural safeguards and other steps in our development process to access proprietary information and content of ours and of our customers and other sensitive components of our business, in order to comply with security protocols within the industry or those established by our customers. Such additional procedural safeguards and other steps have resulted, and may continue to result, for the duration of the COVID-19 pandemic, in some production inefficiency and delays. See *“The global COVID-19 pandemic may negatively affect our business, financial condition, results of operations, cash flow and prospects, and these impacts may persist for an extended period of time or become more pronounced”* below for a discussion of risks to the Company relating to COVID-19. If we or our third-party developers experience unanticipated development delays, whether in connection with the COVID-19 pandemic or otherwise, financial difficulties or additional costs, we may not be able to release titles according to our schedule and at budgeted costs. Our products may not be sufficiently successful to allow us to recoup these costs or make a profit on these products. In addition, there are substantial risks that there will be no or an insufficient interest in the market for the titles we develop.

Programming errors or flaws in our products or the third party platforms, consoles and other methods through which our products are distributed could harm our reputation or decrease market acceptance of our products, which would harm our operating results.

Our products, including, in particular, our games, or the platforms, consoles and other distribution methods for our content may contain errors, bugs, flaws or corrupted data, and these defects may only become apparent after their launch, particularly as we launch new products and release new features to existing products under tight time constraints. We believe that, if consumers have a negative experience with our products, regardless of whether the error or flaw occurs in our products or any third party channels through which our products are distributed, consumers may be less inclined to continue, or resume playing our games or otherwise consuming our content or recommend our products to others. Undetected programming errors, game defects and data corruption can disrupt our operations, adversely affect the consumer experience (including, with respect to players of our games, by allowing other players to gain unfair advantage), harm our reputation, cause consumers to cease playing our games or consuming our other content, divert our resources and delay market acceptance of our products, any of which may subject us to liabilities or adversely impact our operating results.

Declines in consumer spending and other adverse changes in the economy could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Most of our products and services involve discretionary spending on the part of consumers. We believe that consumer spending is influenced by general economic conditions and the availability of discretionary income.

This makes our products particularly sensitive to general economic conditions and economic cycles as consumers are generally more willing to make discretionary purchases,

including purchases of products like ours, during periods in which favorable economic conditions prevail. Adverse economic conditions such as a prolonged general economic downturn, including periods of increased inflation, unemployment levels, tax rates, interest rates or energy prices or declining consumer confidence, can reduce consumer spending. Reduced consumer spending may result in reduced demand for our products and may also require increased selling and promotional expenses, which may have an adverse effect on our business, financial condition, results of operations, cash flow and prospects. In addition, uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing our products, increase the cost and availability of sources of financing, and increase our exposure to material losses from bad debts. If difficult economic conditions continue to persist or worsen in the future, our business, financial condition, results of operations, cash flow and prospects could be adversely affected.

We are particularly susceptible to adverse economic and other developments in Vancouver, British Columbia.

The Company's business plan is particularly focused on the film and entertainment market of Vancouver, British Columbia, and, in this regard, a significant portion of the Company's business operations, including a significant portion of the Company's developers and other personnel, are concentrated in Vancouver. As a result, the Company is particularly susceptible to adverse changes in market conditions, catastrophic events and other unforeseen developments affecting Vancouver and its surrounding areas, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects. Accordingly, our operations and prospects are more susceptible to regional economic and other conditions than our competitors that are more geographically diversified.

Companies and governmental agencies may restrict access to our website, other websites that carry our products, mobile applications or the internet, generally, which could lead to losses or slower growth due to the effects such restrictions may have on our customer base.

In general, consumers need to access the internet and platforms such as Facebook, Apple, Google, our website, the websites of our partners or entities controlled by us or mobile applications in order to play the games or access the other content we offer or expect to offer in the future. Companies and governmental entities outside of the U.S. and Canada may block or restrict access to these sites or applications or the internet generally for a number of reasons, including, for example, confidentiality, security or a determination that greater regulatory oversight is required, or companies may adopt policies that restrict the ability of employees to access websites and applications. If companies or governmental entities outside of the U.S. and Canada block, limit or otherwise adopt restrictive policies or regulations which materially interfere with the ability of consumers to play our games or access our other content, our business and operations will be negatively affected.

Our business is subject to our ability to develop commercially successful products for the current video game platforms.

We are a provider of video game products primarily for the casual-game consumer and have published video games for interactive entertainment hardware platforms. The success of our business is, in part, subject to the continued popularity of these platforms and, to the extent such platforms maintain popularity, our ability to develop commercially successful products for these platforms.

Video game hardware manufacturers set the royalty rates and other fees that we must pay to provide games for their platforms and, therefore, have significant influence on our costs. If one or more of these manufacturers change their fee structure, our business, financial condition, results of operations, cash flow and prospects may be materially impacted.

In order to provide products and service for a video game system, we must obtain a license from third-party platform manufacturers, such as Nintendo, Sony and Microsoft, which give these companies the opportunity to set the fee structure that we must pay in order to provide games for that platform. Similarly, these companies have retained the flexibility to change their fee structures, or adopt different fee structures for online purchases of games, online gameplay and other new features for their consoles. The control that hardware manufacturers have over the fee structures for their platforms and online access could adversely impact our costs, margins and, ultimately, our ability to become profitable, as well as our ability to effectively compete. Accordingly, any increase in fee structures could adversely affect our business, financial condition, results of operations, cash flow and prospects.

The global COVID-19 pandemic may negatively affect our business, financial condition, results of operations, cash flow and prospects, and these impacts may persist for an extended period of time or become more pronounced.

The spread of COVID-19 and the recent developments surrounding the global pandemic, including governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic, may have negative impacts on our business. The extent to which the pandemic impacts our business, financial condition, results of operations, cash flow and prospects, including the duration and magnitude of such effects, will depend on numerous evolving factors that we may not be able to accurately predict or assess, including the duration and scope of the pandemic; its impact on global and regional economies and economic activity, including the duration and magnitude of its impact on unemployment rates and consumer spending; and its short- and longer-term impact on consumer behavior and levels of consumer confidence. A reduction in consumer spending as a result of any of the foregoing may result in reduced demand for our products, which may have an adverse effect on our business, financial condition, results of operations, cash flow and prospects. See "*Declines in consumer spending and other adverse changes in the economy could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects*" above.

The third parties with which we do business, including those that license content to us, have had their operations altered or temporarily suspended. To the extent the resulting economic disruption is severe, we could see some of our third-party providers go out of business,

resulting in supply constraints and increased costs or delays to our products and services. Such production pauses may cause us to, among other things, temporarily have less new content available in future periods, which could negatively impact consumer demand for our services, as well as retention of our existing customers. Temporary production pauses or permanent shutdowns in production could result in content asset impairments or other charges and will change the timing and amount of cash flows associated with production activity.

Our ability to grow our company may also be harmed by COVID-19. For example, the impact of COVID-19 on the financial markets may make it more difficult for us to secure financing necessary to finance our existing operations and pursue potential strategic acquisitions or other opportunities to grow our business, and after the pandemic subsides, any such acquisitions or other opportunities may no longer be available, including because such opportunities have been pursued by our competitors or because such opportunities may be too costly or time-consuming for us to pursue at that time. In addition, as a result of the risks described above, we may be required to raise additional capital, and our access to and the cost of financing will depend on, among other things, global economic conditions, conditions in the global financing markets, the availability of sufficient amounts of financing, our prospects, and the outlook for the industries that we serve as a whole. Further, the impact of COVID-19 on the financial markets, including its negative impact on the price of our common shares, and our business may adversely affect our ability to raise funds through equity financings, including the terms of, and the willingness of investors to participate in, any such equity financings. See *“Security breaches involving the source code for our products or other sensitive and proprietary information could adversely affect our business”* below for a discussion of the impact of COVID-19 on our security protocols and the risks associated therewith. The COVID-19 pandemic has accelerated many of the trends in the industry, including those changes related to evolving consumer behaviors surrounding the ways in which consumers access and, in the future, expect to access content. If we are unable to rapidly grow or evolve our business in order to respond to those changes, whether due to our inability to secure financing for acquisitions or otherwise, we may be unable to attract and retain customers and otherwise effectively compete in our industry, and our business, financial condition, results of operations, cash flow and prospects could be adversely affected. See *“Our industry is subject to significant, rapid changes, and we may fail to anticipate or successfully implement new or evolving technologies, or adopt successful business strategies, distribution methods or services”* above.

To the extent COVID-19 or any worsening of the global business and economic environment as a result thereof adversely affects our business, financial condition, results of operations, cash flow and prospects, it may also have the effect of heightening many of the other risks described under the caption *“Risk Factors”* in this AIF.

Under International Financial Reporting Standards, we will not be able to consolidate our financial statements with the financial statements of companies in which we own minority equity ownership interests.

Under International Financial Reporting Standards (“IFRS”), we account for our minority equity ownership interests in businesses in which we own 50% or less of the equity ownership and have no substantial influence over the management of the businesses. Under IFRS, we report such minority equity ownership interests as assets on our balance sheet at fair market value. However, IFRS does not permit the consolidation of our financial statements with the financial statements of companies in which we own minority equity ownership interests. As such, we are not be allowed to consolidate into our financial statements any portion of the revenues, earnings or assets of companies in which we own minority equity ownership interests, such as Envexergy Inc. (“RealBlocks”), in which we hold a 3.3% interest. We currently provide limited financial information about RealBlocks in our filings with the SEC. Since we do not control RealBlocks, we cannot guarantee that RealBlocks will in the future provide us with copies of its financial statements, on a timely basis or at all. Our inability to obtain audited financial statements of RealBlocks could adversely affect our ability to evaluate the results of operations of RealBlocks and the value of our investment in RealBlocks and to provide financial information about RealBlocks in our filings with the SEC. Accordingly, investors may not be able to appropriately evaluate the results of operations of RealBlocks or businesses in which we own minority equity interests in the future, which could materially adversely affect market perception of and investors’ ability to evaluate our business, financial condition, results of operations, cash flow and prospects and, consequently, the trading price of our common shares.

Fluctuations in the value of the U.S. dollar relative to the Canadian dollar may adversely affect our business.

Fluctuations in the value of the U.S. dollar or the Canadian dollar can be expected to affect our business. During 2020 and continuing into 2021, the U.S. dollar has remained strong in comparison to the Canadian dollar. As of September 30, 2020, the exchange rate was one Canadian dollar to US\$0.7497. A continued strong U.S. dollar relative to the Canadian dollar may create attractive business opportunities with third parties in the U.S. with which we currently do, or, in the future, may do, business. We cannot predict future changes in these exchange rates, and any future weakening of the U.S. dollar relative to the Canadian dollar may make our business less attractive to those U.S.-based third parties and less competitive with U.S.-based companies in our industry.

Also, the revenue we received at and for the year ended September 30, 2020 was denominated in U.S. dollars, while most of our operating expenses are incurred in Canadian dollars. In preparing our financial statements, certain financial information is required to be translated from U.S. dollars to Canadian dollars. If the U.S. dollar weakens against the Canadian dollar, such currency translation could adversely affect our revenues, which could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Currently, we do not engage in foreign currency hedging transactions to protect us against fluctuations in future exchange rates, in particular, between the U.S. dollar and the Canadian dollar, and we may be more adversely affected by any such currency fluctuations than our competitors that engage in hedging transactions. If we engage in hedging transactions in the future, we may expose ourselves to risks associated with such

transactions, which may not eliminate any adverse impact of future currency fluctuations on our business, financial condition, results of operations, cash flow and prospects.

Changes in tax laws or tax rulings could materially affect our effective tax rates, financial position and results of operations.

The tax regimes to which we are subject or under which we operate is unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could cause us to be subject to additional income-based taxes, non-income taxes (such as payroll, sales, use, value-added, net worth, property and goods and services taxes), or tariffs related to the import or export of our offerings, could materially affect our financial position and results of operations. Any significant changes to our effective tax rate or the imposition of significant tariffs on our products may result in a material adverse consequence on our business, financial condition, results of operations, cash flow and prospects.

We cannot guarantee that we will be able to claim investment tax credits in Canada.

Canadian regulations provide for tax credits to companies that support multimedia, e-commerce and research and development in Canada, including gaming, applications and other aspects of the entertainment industry. Those tax credits and other government incentives are important components of our growth strategy. If governmental authorities in Canada, and, in particular, in British Columbia, were to reduce or discontinue the tax credits available in respect of those activities, we may be unable to pursue our growth strategy.

As a company in the early stages of our development, we rely upon our management team; our future success depends significantly on their continued service and performance, as well as our ability to hire and retain additional competent and skilled management and technical and other personnel.

Our executive officers who are responsible for our management functions and are responsible for strategic development, financing and other critical functions. Our future success depends significantly on their continued service and performance and the expansion of our management team. The departure, death, disability or other extended loss of services of any member of our management team, particularly with little or no notice, could cause delays on projects, frustrate our growth prospects and could have an adverse impact on our client and industry relationships, our project exploration and development programs, other aspects of our business and our financial condition, results of operations, cash flow and prospects.

Our success, growth prospects, and ability to capitalize on market opportunities also depend to a significant extent on our ability to identify, hire, motivate and retain qualified managerial personnel, including additional senior members of management, and creative and technical personnel in a competitive job market. We expect competition for personnel with the specialized creative and technical skills needed to create our products and provide our services will continue to intensify in the future. Our competitors may be able to offer a work environment with higher compensation or more opportunities to work with cutting-edge

technology than we can. Any new personnel we hire may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. If we are unable to retain our key personnel or appropriately match skill sets with our needs, we would be required to expend significant time and financial resources to identify and hire new qualified personnel and to transfer significant internal historical knowledge, which might significantly delay or prevent our growth and the achievement of our business objectives.

Our management team has limited experience managing a public company.

Members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws, rules and regulations that govern public companies, including regulatory oversight and public reporting obligations under the federal securities laws. These obligations will require significant attention from our management and could divert their attention away from the day-to-day management of our business. In the event that members of our management team are not successful or efficient as managers of a public company, this could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects. See also *“As a company in the early stages of our development, we rely upon our management team; our future success depends significantly on their continued service and performance as well as our ability to hire and retain additional competent and skilled management, technical sales and other personnel”* above.

We may not be able to manage our potential growth.

For us to succeed, our business needs to experience significant expansion, including by adding to our senior management team. See *“As a company in the early stages of our development, we rely upon our management team; our future success depends significantly on their continued service and performance as well as our ability to hire and retain additional competent and skilled management, technical sales and other personnel”* above. We may not achieve this expansion. This expansion, if accomplished, may place a significant strain on our management, operational and financial resources. To manage any material growth, we will be required to implement additional operational and financial systems, procedures and controls. We will also be required to expand our finance, administrative and operations staff. Our current and planned personnel, systems, procedures, controls and infrastructure may not be adequate to support our future operations at any increased level. Our failure to manage growth effectively could give rise to operational errors, loss of business opportunities, loss of employees and reduced productivity, any of which may adversely affect our ability to compete effectively and otherwise have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

We use a limited number of suppliers.

We rely on a limited number of suppliers for hardware, software, and film and gaming production equipment. While other sources of supply do exist for this equipment, an

unexpected disruption in supply or an increase in pricing could have a negative impact on our earnings.

Our results of operations may fluctuate significantly as to our film operations depending upon the timing of television shows and films delivered or made available to various media.

Results of operations with respect to our production and distribution of film and television operations for any periods are significantly dependent upon the number and timing of television programs and films delivered or made available to various media. Although traditions are changing, due in part to increased competition from streaming and other on-demand content delivery methods, broadcasters have traditionally made most of their annual programming commitments between February and June, such that new programs can be ready for telecast at the start of the broadcast season in September, or, in the case of midseason replacements, in January. Because of the annual production cycle, any revenues from our film and television operations may not be earned on an even basis throughout the year and may fluctuate materially from quarter to quarter. Consequently, our results of operations for any one period may not necessarily be indicative of our results for future periods. Cash flows may also fluctuate and are not necessarily closely correlated with revenue recognition.

In light of governmental stay-at-home orders in the wake of COVID-19, there have been production delays in television and film programming, and we are not able to predict when production will resume or return to normal levels, and in some cases, whether production will resume at all. As a result, we cannot predict the manner or the extent to which such production delays will impact the traditional annual production cycle for television and film programs and any resulting impact on our business, financial condition, results of operations, cash flow and prospects.

Our business is subject to a variety of U.S., Canadian and other laws, many of which are unsettled and still developing, and which could subject us to claims or otherwise harm our business.

We are subject to a variety of laws in the U.S., Canada and elsewhere, including laws regarding consumer protection, intellectual property, data protection, export and national security, that are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly laws outside the U.S. and Canada. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted or the content provided by users. It is also likely that, if our business grows and our games are played or our other content is accessed in a greater number of countries, we will become subject to laws and regulations in additional jurisdictions. We are potentially subject to a number of laws and regulations of the U.S., Canada and other jurisdictions that affect the offering of certain types of content, such as that which depicts violence, many of which are ambiguous, still

evolving and could be interpreted in ways that could harm our business or expose us to liability. In addition, certain of our games may become subject to gambling-related rules and regulations and expose us to civil and criminal penalties if we do not comply.

It is difficult to predict how existing laws, as well as new laws to which we may become subject, will be applied to our business. If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, our operations could be temporarily or indefinitely suspended, and we may be forced to implement changes to our business model or other aspects of our operations. This may require us to expend substantial resources or to modify our products, which would harm our business, financial condition, results of operations, cash flow and prospects. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business, financial condition, results of operations, cash flow and prospects.

It is possible that a number of laws and regulations may be adopted or construed to apply to us in the U.S., Canada and elsewhere that could restrict the online and mobile industries, including as to data privacy, advertising, taxation, content suitability, copyright, distribution and antitrust matters. Furthermore, the growth and development of electronic commerce and virtual goods may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies such as ours conducting business through the internet and mobile devices. We anticipate that scrutiny and regulation of our industry will increase, and we will be required to devote legal and other resources to addressing such regulation. For example, existing laws or new laws regarding the regulation of currency and banking institutions may be interpreted to cover virtual currency or goods. If that were to occur we may be required to seek licenses, authorizations or approvals from relevant regulators, the granting of which may be dependent on us meeting certain capital and other requirements, and we may be subject to additional regulation and oversight, all of which could significantly increase our operating costs. Changes in current laws or regulations or the imposition of new laws and regulations in the U.S., Canada or elsewhere regarding these activities may limit the growth of social game services and other aspects of the industry in which we operate and impair our business.

We may be involved in legal proceedings that may result in adverse outcomes.

From time to time, we may be involved in claims, suits, government investigations, audits and proceedings arising from the ordinary course of our business or otherwise. The nature of any such claims, suits, government investigations, audits and proceedings are inherently uncertain, and their results cannot be predicted with certainty. An adverse resolution in litigation, including litigation or other actions brought by our shareholders, customers, governmental authorities or another third party, could result in substantial damages or otherwise negatively impact our business, reputation and financial condition. Regardless of the outcome, such legal proceedings can have an adverse impact on us because of negative publicity, legal costs, diversion of management resources and other factors.

Risks Related to Intellectual Property and Personal and Proprietary Information

We depend on protection afforded by trademarks and copyrights to protect our intellectual property.

We hold a number of trademarks and copyrights relating to certain significant products, and, as part of our growth strategy, we expect to continue to pursue the registration of and acquire intellectual property rights, including trademarks and copyrights, for products we develop and to license intellectual property from third parties for use in our business. We rely on trademark laws and contractual provisions to protect these trademarks and copyrights and regard such protection as critical to our success. The contractual arrangements and other steps we have taken to protect our intellectual property are expensive and time-consuming and may not result in intellectual property registrations or may not prevent the misappropriation of our proprietary information or deter independent development of similar technologies by others. Existing trade secret, copyright and trademark laws offer only limited protection and do not account for common law claims. Furthermore, the monitoring and enforcement against the unauthorized use of our intellectual property rights, including those rights licensed to us by third parties, could entail significant expenses and could prove difficult or impossible. For example, if litigation is necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of proprietary rights claimed by others, any litigation of that nature, regardless of outcome or merit, could result in substantial costs, adverse publicity or diversion of management and technical resources. If we fail to maintain, protect and enhance our intellectual property rights, our business, financial condition, results of operations, cash flow and prospects may be harmed.

In addition, the laws of countries in which we may choose to market our products may afford little or no effective protection of our owned or licensed intellectual property. If we lose some or all of our intellectual property rights, or if any intellectual property rights that we may develop or acquire in the future prove to be deficient, our business may be materially adversely affected.

We rely on the availability of licenses to intellectual property of third parties, which exposes us to risks over which we have little or no control.

Our ability to provide consumers with content they are seeking depends, in part, upon licenses of intellectual property from third parties. The terms and conditions of such licenses vary, and third parties may be unable or unwilling to provide or continue to provide us with valid licenses to the content we seek to distribute or rights to use their other intellectual property, on terms acceptable to us or at all. If third parties are not or are no longer willing or able to provide such licenses on terms acceptable to us, our ability to provide content to consumers and continue to compete in our industry may be adversely affected and/or our costs could increase.

In addition, a third party may assert that we or our end customers are in breach of the terms of a license, which could, among other things, give such third party the right to terminate a license or seek damages from us, or both. The inability to obtain or maintain certain

licenses or other rights or to obtain or maintain such licenses or rights on favorable terms, or the need to engage in litigation regarding these matters, could adversely affect the content we are able to offer and the overall consumer experience and could otherwise disrupt our business.

Any of these events could have a material adverse effect on our business, financial condition, results of operations, cash flow and prospects.

Intellectual property claims may increase our costs or require us to cease selling affected products, which could adversely affect our business, financial condition, results of operations, cash flow and prospects.

Development of original content, including publication and distribution, sometimes results in claims of intellectual property infringement. Although we make efforts to ensure our products do not violate the intellectual property rights of others, it is possible that third parties may still allege infringement. These claims and any litigation resulting from these claims may be time-consuming and costly to defend, divert management attention, and result in damage awards payable by us. They could also prevent us from selling the affected product or require us to redesign the affected product to avoid infringement or obtain a license for future sales of the affected product or prevent us from utilizing important technologies, ideas or formats.

Third parties with which we do business process, store and use personal information and other data of consumers of our content, and, as we implement our growth strategy, we may process, store and use such consumer data, which may subject us to governmental regulation and other legal obligations related to privacy and data security, and such third parties' or our actual or perceived failure to comply with such obligations could harm our business.

Third parties with which we do business receive, store and process personal information and other data of consumers of our content. As we implement our growth strategy, we may receive, store and process such personal information and consumer data in connection with the provision of our products and services. There are numerous federal, state and local laws around the world regarding privacy and data protection and the storing, sharing, use, processing, disclosure and protection of personal information and other customer data, including but not limited to Regulation (EU) 2016/679 (also known as the General Data Protection Regulation or GDPR) and the California Consumer Privacy Act of 2018 (also known as the CCPA). The scope of privacy and data protection laws is constantly evolving, the laws are subject to differing interpretations, and there may be inconsistencies between jurisdictions or conflicts with other rules or codes of conduct to which we are subject or agree to comply. Although we strive to comply with applicable laws, policies, legal obligations and certain industry codes of conduct relating to privacy and data protection, and notwithstanding the views of third parties with which we do business that they comply with such laws, policies, legal obligations and industry codes of conduct, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules, our practices or the practices of third parties with which we do business. The costs of compliance with these laws, policies,

legal obligations and codes may be significant and may increase in the future. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to consumers or other third parties, including under applicable security protocols, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against us by consumer advocacy groups or others and could cause consumers to lose trust in us, which could have an adverse effect on our reputation and business, including our relationships with third parties with whom we do business. Additionally, if third parties we work with, such as customers, vendors or developers, violate applicable laws or our policies, such violations may also put our customers' information at risk and could in turn have an adverse effect on our business.

In addition, many jurisdictions have laws, including but not limited to the GDPR and CCPA, that require minimum information security standards that are often vaguely defined and may be difficult to implement, and that create potential significant liability for failure to meet those standards. Many jurisdictions also have laws requiring notification to individuals and certain regulators when there is a security breach involving personal information. The costs of compliance with these laws may be significant and may increase in the future, and any failure or perceived failure by us to comply with these laws may subject us to significant liability. Responding to a security breach involving personal information often requires significant resources and costs, and could cause consumers to lose trust in us, which could have an adverse effect on our reputation and business, including our relationships with third parties with whom we do business.

Security breaches involving the source code for our products or other sensitive and proprietary information could adversely affect our business.

We store the source code for our interactive entertainment software products as it is created, as well as other sensitive and proprietary information. A breach, whether physical, electronic or otherwise, of the systems on which such source code and other sensitive data are stored could lead to damage or piracy of our software. In addition, certain parties with whom we do business are given access to our sensitive and proprietary information in order to provide services and support our team, and certain third parties also license or otherwise provide us with rights to use their intellectual property. These third parties or our own employees may misappropriate our information or the third-party intellectual property used in our business and engage in unauthorized use of it. If we are subject to data security breaches, we may suffer a loss in sales, increased costs arising from the restoration or implementation of additional security measures, litigation or other legal action and reputational damage, which could materially and adversely affect our business, financial condition, results of operations, cash flow and prospects. Any theft and/or unauthorized use or publication of our or third parties' intellectual property, including trade secrets, and other confidential business information as a result of such an event could adversely affect our competitive position, reputation, brand, and future sales of our products and could adversely affect our relationships with third parties that may be critical to our future success. Our business could be subject to significant disruption, and we could suffer monetary and other losses and reputational harm, in the event of such incidents and claims.

Risks and exposures related to cybersecurity attacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats and also due to the expanding use of technology-based products and services by us and consumers of our products and services. In the wake of COVID-19, these risks may be more likely to materialize and may be more severe if they occur, as our workforce as well as the workforces of the third parties with whom we have business relationships spend a significant amount of time working from home, where data networks may be less secure. The safeguards we have in place or may implement in the future may not prevent all unauthorized infiltrations or breaches, and we may suffer losses related to a security breach in the future, which losses may be material.

The proliferation of “cheating” programs and scam offers that seek to exploit our games and players affects the game-playing experience and may lead players to stop playing our games.

Unrelated third parties have developed, and may continue to develop, “cheating” programs that enable players to exploit our games, play them in an automated way or obtain unfair advantages over other players who do play fairly. These programs harm the experience of players who play fairly and may disrupt the virtual economy of our games. In addition, unrelated third parties attempt to scam our players with fake offers for virtual goods. We devote significant resources to discover and disable these programs and activities, and if we are unable to do so quickly our operations may be disrupted, our reputation damaged and players may stop playing our games. This may lead to lost revenue from paying players, increased cost of developing technological measures to combat these programs and activities, legal claims relating to the diminution in value of our virtual currency and goods, and increased customer service costs needed to respond to dissatisfied players.

Assumptions on conversion rates.

Despite having a large potential reach within the gaming community, conversion rates could be far lower than expected which would negatively affect the Company's revenue or anticipated revenue.

No demand among influencers.

Top influencers could be inundated with profitable opportunities which could result in them being unable or unwilling to support the Company's business which could result in only less popular influencers able or willing to support the Company's business which would have an adverse impact on the Company's business modelling and revenue.

Lack of exclusiveness.

Influencers can be driven by exclusiveness of their offers. If every influencer is selling the same library of games, the market may be oversaturated which would have an adverse impact on the Company's business modelling and revenue.

Competition from affiliate programs.

Amplify Games could be disrupted by a store offering highly-competitive affiliate fees and/or effective technology. For example, online links could be more attractive to a potential customer than operating a store.

No resources to run stores.

The gaming sites, communities, and influencers may not have the resources to run and support a store. Without a guaranteed outcome, Amplify Games business strategy may not be a viable solution for bootstrapped gaming ecosystem players.

Market noise.

Greater distribution does not necessarily translate into a better business model or greater revenue. Amplify Games could just be viewed as another distribution method that takes considerable time and energy with a limited return on such investment.

Crowding of the store market.

There are many viable stores already in the market. Many of these stores are already established and it could be difficult to claim market share from them.

Gamer's value proposition.

Despite the obvious value proposition of supporting an ecosystem member, there may not be enough incentives to drive gamers away from existing platforms. If the Company is unable to attract gamers this would have an adverse impact on the Company's business modelling and revenue

Market changes.

If the adoption of subscription or cloud gaming happens much faster than the Company is able to cope with, Amplify Games will be stuck with an antiquated business model. Independent operators could also be attracted by the short-term benefits that subscription platforms provide.

Customer adoption.

In the event that significantly fewer stores are created than initially anticipated this would severely reduce the market size that Amplify Games can reach which would have an adverse impact on the Company's business modelling and revenue.

Commission assumptions.

Potential customers could reject the business model of having to operate a store and also pay commissions.

Lack of tangible evidence.

As with most start-ups, Amplify Games lacks evidence that it's business model will work in the way that was proposed.

Network effects.

With a multi-sided marketplace, generally speaking, the market becomes more valuable as the market is populated (in this case with games). Amplify Games will need to quickly establish a portfolio of games that makes it attractive enough to operate a store. Having too few games will lead to a slow adoption by ecosystem participants.

Game Selection.

According to data estimates, the top 5% of games drive the vast majority of revenue for game stores (well above 80%). A strategy focusing only on independent games would exclude Amplify Games from a majority of the revenue in the market. As a result, it is critical that Amplify Games also be able to include top titles in its portfolio. An inability by Amplify Games to do so would have an adverse impact on the Company's business modelling and revenue. Alternatively, should Amplify Games become too dependent upon a single game or franchise's success this could also have an adverse impact on the Company's business modelling and revenue in the event the Company loses the ability to offer such game or franchise or if such game or franchise loses its popularity.

Regulatory risk.

Risk that a change in laws and regulations governing the Company's business could materially impact gaming revenues. By way of example, loot boxes (a type of item purchased in-game) have come under the scrutiny of some governments who view loot boxes as a form of gambling that was too easily accessible to children.

Competitive risk.

New entrants into the industry could potentially affect video game companies with high exposure to the mobile gaming segment.

Return to normalcy risk.

There is a risk that video games may fall out of favor with consumers once the COVID-19 pandemic fades away.

Privacy/ HIPAA.

The Health Insurance Portability and Accountability Act ("**HIPAA**") sets the standard for sensitive patient data protection. Companies that deal with protected health information ("**PHI**") must have a physical, network, and process security measures in place and follow them to ensure HIPAA Compliance.

Maintaining round-the-clock HIPAA compliance is a constant challenge for healthcare providers and other HIPAA covered entities. For small and medium-sized organizations, the challenge of HIPAA compliance can be particularly difficult due to a lack of skilled personnel, resources, and budget.

Apart from the technology aspect of HIPAA, many covered entities and business associates are finding that HIPAA compliance is becoming more challenging because they have to continuously train staff about every aspect of HIPAA implementation. This makes HIPAA implementation all the more time-consuming and challenging.

Information/ Data Security.

Risk of data breach of sensitive patient information and ability to safeguard accessibility and transmission of confidential personal health data is complicated, costly and dynamic.

As the cybersecurity threats concerning the healthcare industry are evolving at a critical pace, a sophisticated and multi-faceted approach must be implemented to safeguard the data of customers. iRecover must establish sound data security practices (listed below) to keep security threats at bay. A failure to do so could result in iRecover not being accepted in the industry:

Train Healthcare Staff in Cybersecurity - Whenever it comes to some security incidents, there is always an evident human element behind it. In the case of healthcare, such incidents are even more commonplace. Training staff in the matters of cybersecurity will not only equip them with the necessary knowledge to handle patient data appropriately but also prevent them from making uninformed decisions that put the business security at stake. Implement Controls on Data and Application Access: Restricting access to sensitive patient information and critical applications strengthen healthcare cybersecurity even further. This also ensures that only those with the required authentication will have access to sensitive data. Multi-factor authentication methods like secure PIN or password, security key, fingerprints or eye scanning may be used to make sure that the person has, in fact, the required permissions to access critical applications and user data.

Establish Controls on Data Usage - By establishing proper controls on data usage activities, healthcare companies can flag or block malicious or risky data activity in real-time. Specific actions concerning sensitive data like uploading to the web, sending unauthorized emails, and copying data to external sources should be blocked.

Encrypt Data wherever Possible - Encryption can surely be considered as one of the most important security measures for healthcare organizations. Encryption makes sure that even if hackers gain access to patient information, they won't be able to use it in any way. HIPAA recommends healthcare companies to implement strict data encryption measures based on the data flow in the organization. Focus on Mobile

Device Security - The use of mobile devices has increased drastically over the years in the healthcare domain. Physicians use it to access patient information so that they could treat them effectively and officials might use them to process medical insurance. Without a doubt, it becomes essential to keep the security of such mobile devices in mind.

Eliminate the Risk of Connected Devices - With the rise of technologies like IoT and AI, connected devices can be seen everywhere. Even in the healthcare domain, devices ranging from blood pressure monitors to scanners and cameras collect patient data and are constantly connected to the network. That is why certain steps must be taken to eliminate security risks in such devices. Some of these steps include: Update the connected devices regularly and install all the security patches Implement multi-factor authentication Disable non-essential features before using

such devices and capture only the data that is required Monitor access to identify suspicious activity

Conduct Vulnerability Assessments on a Regular Basis - Conducting regular vulnerability assessments is an important step for any proactive security strategy. Such assessments will not only identify the weak points in the organization's security infrastructure but also assess the security readiness of the employees and vendors altogether. Regular vulnerability assessment helps healthcare organizations proactively identify the potential risk elements and eliminate them to prevent costly data breaches and their detrimental impacts.

Safely Backup Sensitive Data - Data breaches can not only expose sensitive patient information in the healthcare industry but also put data integrity and availability at risk. So, backing up data becomes a must for healthcare companies as they can't afford to lose their most valuable asset. Offsite backups of data must be made to secure the data at hand and added steps like access controls and encryption will help add extra layers of security. Apart from cybersecurity concerns, data backups can help organizations in times of disaster recovery too.

Successful Software/ APP/ Coin Development.

iRecover must develop software for its App and coin development. This could require considerable financial resources and IT expertise. Variable risk factors to consider in the development of an app/ software that are not limited to:

Risk of building an app that your target users don't want - Delivering an app that their users don't even want. Native app development requires tens (and sometimes hundreds) of thousands of dollars and months of time. It's all wasted if no one uses the app. This happens when you approach mobile app development from the wrong perspective.

Risk of unsustainable user growth - On the opposite end of the spectrum, we find another challenge of unable to handle user growth.

Risk of using wrong developmental partner. - Outsourcing development could pose risk to the project due to cultural differences and views of user interface with public.

Risk of investing in a platform that you can't control - The biggest risk of native mobile application development lies in your complete lack of control over the platform itself. What happens if the platform owner decides to sell itself or shut down entirely? Since you have no control over the platform, you're out of luck.

Risk of tying yourself to a single platform - When developing native apps, you face a tough question: Should you support every platform or just one? Supporting every platform protects you from the problem listed in the previous point, but is also far more costly and time consuming. Choosing a single platform is cheaper, but ties your application's success to that platform's success.

Market Adoption.

A failure to get market adoption and traction with iRecover coin app and/or business model would have an adverse impact on the Company's business modelling and revenue.

Partnerships with national organizations.

A failure to make alliances or partnerships with key organizations associated with addiction and rehabilitation and recovery or failing to associate with health insurance and key commercial marketing partners would have an adverse impact on the Company's business modelling and revenue

Securities laws and regulations.

A failure to comply with new securities laws or regulations by regulators regarding the exchange of ICO or Recover coins associated with iRecover Coins utilized in its App could result in the Company being sanctioned.

Failure to innovate.

The Company's success depends upon its ability to design, develop, test, market, license and support new software products and enhancements of current products on a timely basis in response to both competitive threats and marketplace demands. In addition, software products and enhancements must remain compatible with the other software products and systems used by its customers. Often, the Company must integrate software licensed or acquired from third parties with its proprietary software to create or improve its products. If the Company is unable to successfully integrate third party software to develop new software products and enhancements to existing products, or to complete products currently under development, its operating results will materially suffer. In addition, if the integrated or new products or enhancements do not achieve acceptance by the marketplace, the Company's operating results will materially suffer. Also, if new industry standards emerge that the Company does not anticipate or adapt to, its software products could be rendered obsolete and, as a result, its business and operating results, as well as its ability to compete in the marketplace, would be materially harmed. The technology sector, and particularly the cryptocurrency space, evolves at an extremely rapid pace. The Company works diligently to stay current; however, there is a risk we will not keep pace with industry developments.

Competition.

The Company is engaged in an industry that is highly competitive. Because its industry is evolving and characterized by technological change, it is difficult for the Company to predict whether, when and by whom new competing technologies may be introduced or when new competitors may enter the market. The Company faces increased competition from companies with strong positions in certain markets the Company intends to serve and in new markets and regions it may enter. Many of the Company's competitors have significantly greater financial and other resources than the Company currently possesses and may spend significant amounts of resources to gain market share. The Company cannot assure investors that it will be able to compete effectively against current and future competitors. In addition, increased competition or other competitive pressures may result in price reductions, reduced margins or loss of market share, any of which could have a

material adverse effect on the Company's business, financial condition or results of operations. Competitors may be able to respond to new or emerging technologies and changes in customer requirements more effectively than the Company can, or devote greater resources to the development, promotion and sale of products than the Company can. Current and potential competitors may establish cooperative relationships among themselves or with third parties, including through mergers or acquisitions, to increase the ability of their products to address the needs of the Company's prospective customers. If these competitors were to acquire significantly increased market share, it could have a material adverse effect on the Company's business, financial condition or results of operations. The Company's competitors may also establish or strengthen co-operative relationships with systems integrators, third-party consulting firms or other parties with whom the Company has relationships, thereby limiting its ability to promote its products.

If the Company is not able to differentiate its business from those of its competitors, drive value for customers or effectively align its financial and operations resources with its goals and objectives, it may not be able to compete effectively against its competitors. If the Company fails to compete effectively against its competitors, its business and profitability may be adversely affected.

Failure to protect the Company's intellectual property.

Failure to protect the Company's intellectual property could harm its ability to compete effectively. The Company is highly dependent on its ability to protect its proprietary technology. The Company intends to rely on a combination of patents, copyright, trademark and trade secret laws, as well as non-disclosure agreements and other contractual provisions to establish and maintain its proprietary rights. The Company intends to protect its rights vigorously. However, there can be no assurance that these measures will, in all cases, be successful. Enforcement of the Company's intellectual property rights may be difficult, particularly in some nations outside of North America in which the Company may seek to market its products. While U.S. and Canadian patent and copyright laws, international conventions and international treaties may provide meaningful protection against unauthorized duplication of software, the laws of some foreign jurisdictions may not protect proprietary rights to the same extent as the laws of Canada or of the United States. The absence of internationally harmonized intellectual property laws makes it more difficult to ensure consistent protection of the Company's proprietary rights. Software piracy has been, and is expected to be, a persistent problem for the software industry, and piracy of the Company's products represents a loss of revenue to the Company. Despite the precautions the Company may take, unauthorized third parties, including its competitors, may be able to: (i) copy certain portions of its products; or (ii) reverse engineer or obtain and use information that the Company regards as proprietary. Also, the Company's competitors could independently develop technologies that are perceived to be substantially equivalent or superior to the Company's technologies. The Company's competitive position may be materially adversely affected by its possible inability to effectively protect its intellectual property.

Reliance on third party software.

The Company currently depend upon third-party software products to develop its products. If in future such reliance existed and the software products were not available, the Company

might experience delays or increased costs in the development of its products. The Company currently does not rely on software products that it licenses from third-parties. Should the Company in the future rely upon third-party software licenses that may not continue to be available to the Company, and the related software may not continue to be appropriately supported, maintained, or enhanced by the licensors, the loss by the Company of the license to use, or the inability by licensors to support, maintain, and enhance any of such software, could result in increased costs or in delays or reductions in product shipments until equivalent software is developed or licensed and integrated with internally developed software. Such increased costs or delays or reductions in product shipments could materially adversely affect its business. The loss of the Company's rights to use software licensed to it by third parties could increase its operating expenses by forcing the Company to seek alternative technology and materially adversely affect its ability to compete. In addition, the Company's web-based software applications depend on the stability, functionality and scalability of the underlying infrastructure software including application servers, databases, software and operating systems produced by others. If weaknesses in such infrastructure software exist, the Company may not be able to correct or compensate for such weaknesses. If the Company is unable to address weaknesses resulting from problems in the infrastructure software such that its products do not meet customer needs or expectations, its reputation, and consequently, its business may be significantly harmed.

Intellectual property infringement.

Other companies may claim that the Company has infringed their intellectual property, which could materially increase costs and materially harm the Company's ability to generate future revenue and profits. Claims of infringement are becoming increasingly common as the software industry develops and as related legal protections, including patents are applied to software products. Although the Company does not believe that its products infringe on the rights of third parties, third parties may assert infringement claims against the Company in the future. Although most of the Company's technology is proprietary in nature, the Company does include significant amounts of third-party software in its products. In these cases, this software is licensed from the entity holding the intellectual property rights. Although the Company believes that it has secured proper licenses for all third-party software that is integrated into its products, third parties may assert infringement claims against the Company in the future. Any such assertion may result in litigation or may require the Company to obtain a license for the intellectual property rights of third parties. Such licenses may not be available, or they may not be available on reasonable terms. In addition, such litigation could be disruptive to the Company's ability to generate revenue or enter into new market opportunities and may result in significantly increased costs as a result of the Company's efforts to defend against those claims or its attempt to license the patents or rework its products to ensure they comply with judicial decisions. Any of the foregoing could have a significant adverse impact on the Company's business and operating results as well as its ability to generate future revenue and profits. The loss of licenses to use third-party software or the lack of support or enhancement of such software could materially adversely affect the Company's business. The Company could also be forced to do one or more of the following: (i) stop selling, incorporating or using its products that use the challenged intellectual property; (ii) obtain from the owner of the infringed intellectual property right a license to sell or use the relevant technology, which license may

not be available on reasonable terms, or at all; (iii) redesign those products that use allegedly infringing technology which may be costly or time-consuming; or (iv) refund license fees and other amounts received, and make payments of additional amounts in damages or settlement payments, for allegedly infringing technology or products.

Requirement to attract and retain customers and users to Company's products.

The Company's continued success with operations will depend on its ability to continue to sign up new customers and users to its products and services and growing its active customer and user bases. No assurance can be given that the Company will be able to procure a sufficient number of customers and/or users to reach profitability.

Management of growth.

The Company has recently experienced, and may continue to experience, rapid growth in the scope of its operations. This growth has resulted in increased responsibilities for the Company's existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will need to continue to implement and improve its operational, financial and management information systems, as well as hire, manage and retain its employees and maintain its corporate culture including technical and customer service standards. There can be no assurance that the Company will be able to manage such growth effectively or that its management, personnel or systems will be adequate to support the Company's operations.

Loss of key employees and contractors.

The Company depends on a number of key employees and contractors, the loss of any one of whom could have an adverse effect on the Company. The Company does not have and is not expected to purchase key person insurance on such individuals, which insurance would provide the Company with insurance proceeds in the event of their death. Without key person insurance, the Company may not have the financial resources to develop or maintain its business until it replaces the individual. The development of the business of the Company will be dependent on its ability to attract and retain highly qualified management and mining personnel. The Company will face competition for personnel from other employers. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

Conflicts of interest.

Certain of the officers and directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Litigation risk.

The Company may be subject to litigation arising out of its operations. Damages claimed under such litigation may be material, and the outcome of such litigation may materially impact the Company's operations, and the value of the Common Shares. While the Company will assess the merits of any lawsuits and defend such lawsuits accordingly, they may be required to incur significant expense or devote significant financial resources to such defenses. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Company's operations.

Interest rate risk.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company will be exposed to interest rate changes on its investments that are expected to pay interest, and any credit facilities it may have that bear interest at a floating rate. Changes in the prime lending rate would affect earnings and could adversely affect the Company's profitability.

Risks Related to Our Common Shares

We may not be able to maintain our listing on the TSXV Venture Exchange.

Our common shares trade on the TSXV Venture Exchange. The TSXV has continued listing requirements that we must meet to avoid delisting. Our results of operations and our fluctuating share price directly impact our ability to satisfy these listing standards. There can be no assurance that we will remain in compliance in the future. If we are unable to maintain these listing standards, we may be subject to delisting. A delisting from TSXV would result in our common shares being eligible for quotation on the over-the-counter market, which is generally considered to be a less efficient trading system than listing on markets such as the TSXV or other national exchanges because of lower trading volumes, transaction delays, and reduced security analyst and news media coverage. A delisting from TSXV could also result in a determination that our common shares are "penny stock," which would require brokers trading in our common shares to adhere to more stringent rules. These factors could reduce the level of trading activity in the trading market for our common shares and contribute to lower prices and larger spreads in the bid and ask prices for our common shares.

Future capital raising efforts may be dilutive to our shareholders, result in increased interest expense in future periods or depress our share price.

In order to finance our operations, we have raised funds through the issuance of common shares and securities convertible into common shares, and we may do so again in the future. Any such offering in the future may have a dilutive effect on our earnings per share and/or book value per share. The actual amount of dilution, if any, cannot be determined at this time and will be based on numerous factors. In the future, we may issue common shares in connection with investments or acquisitions. The number of common shares issued in future offerings, including those issued in connection with an investment or

acquisition, could be material. We cannot predict the size of future issuances of common shares or the size or terms of future issuances of debt instruments or other securities convertible into or exercisable or exchangeable for common shares, or the effect, if any, that future issuances and sales of our securities will have on the market price of our common shares. Sales or issuances of substantial numbers of common shares, or the perception that such sales could occur, may adversely affect the market price of our common shares. With any additional sale or issuance of common shares, or securities convertible into common shares, our investors may suffer dilution of their investment.

The price of our common shares may be volatile or may decline regardless of our operating performance.

The market price for our common shares may be highly volatile. In addition, the market price of our common shares may fluctuate significantly in response to a number of factors, most of which we cannot control, including:

- variations in our financial results or those of companies that are perceived to be similar to us;
- actions by us or our competitors, such as sales initiatives, acquisitions or restructurings;
- additions or departures of key management personnel;
- legal proceedings involving us, our industry, or both;
- changes in our capitalization, including future issuances of our common shares or the incurrence of additional indebtedness;
- changes in market valuations of companies similar to ours;
- the prospects of the industry in which we operate;
- actions by our shareholders;
- speculation or reports by the press or investment community with respect to us or our industry in general;
- general economic, market and political conditions; and
- other risks, uncertainties and factors described under the caption “*Risk Factors*” in this AIF.

The stock markets in general have often experienced volatility, including, most recently, in the wake of COVID-19, that has sometimes been unrelated or disproportionate to the operating performance of particular companies. These broad market fluctuations have caused, and may continue to cause, the trading price of our common shares to decline. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, financial condition, results of operations, cash flow and prospects, and on the market price of our common shares. In the past, following periods of volatility in the market price of a company’s securities, securities class-action litigation has often been brought against that company. We may become involved in this type of litigation in the future. Litigation of this

type may be expensive to defend and may divert our management's attention and resources from the operation of our business.

We incur significant costs and demands upon management and accounting and finance resources as a result of complying with the laws and regulations affecting public companies; any failure to establish and maintain adequate internal controls and/or disclosure controls or to recruit, train and retain necessary accounting and finance personnel could have an adverse effect on our ability to accurately and timely prepare our financial statements and otherwise make timely and accurate public disclosure.

As a public operating company, we incur significant administrative, legal, accounting and other burdens and expenses beyond those of a private company, including public company reporting obligations, both in the U.S. and under applicable Canadian national and provincial securities laws and regulations, and TSXV listing requirements. In particular, we have needed, and continue to need, to enhance and supplement our internal accounting resources with additional accounting and finance personnel with the requisite technical and public company experience and expertise to enable us to satisfy such reporting obligations. Currently, we rely upon the services of third parties for our accounting and financial reporting functions, which third-party arrangements create additional monitoring obligations and have the potential to increase risk in the system of internal control. Any failure to maintain an effective system of internal controls (including internal control over financial reporting) could limit our ability to report our financial results accurately and on a timely basis, or to detect and prevent fraud and could expose us to regulatory enforcement action and shareholder claims.

We are a “foreign private issuer” under U.S. securities laws and, as a result, are subject to disclosure obligations different from requirements applicable to U.S. domestic registrants listed on U.S. OTC Market (“OTCQB”).

Although we are subject to the periodic reporting requirements under the Exchange Act, the periodic disclosure required of “foreign private issuers” (as defined in Rule 405 under the Securities Act) is different from periodic disclosure required of U.S. domestic registrants. Therefore, there may be less publicly available information about us than is regularly published by or about other public companies in the U.S., and we are exempt from certain other sections of the Exchange Act to which U.S. domestic registrants would otherwise be subject. See “*We could lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us*” below. In addition, our executive officers, directors and large shareholders are not obligated to file reports under Section 16 of the Exchange Act, and certain of the governance rules and shareholder approval rules imposed by the OTCQB are inapplicable to us.

We could lose our foreign private issuer status in the future, which could result in significant additional costs and expenses to us.

In order to maintain our current status as a foreign private issuer, if more than 50% of our outstanding voting securities are directly or indirectly owned by residents of the U.S., we

must not have any of the following: (1) a majority of our executive officers or directors being U.S. citizens or residents, (2) more than 50% of our assets being located in the U.S., or (3) our business being principally administered in the U.S. If we were to lose our foreign private issuer status:

- we would no longer be exempt from certain of the provisions of U.S. securities laws, such as Regulation FD, the Section 16 disclosure and short swing-profit rules and the requirement to file proxy solicitation materials on Schedule 14A or 14C in connection with meetings of our shareholders;
- we would be required to commence reporting on forms required of U.S. companies, such as Forms 10-K, 10-Q and 8-K, rather than the forms currently available to us, such as Forms 20-F and 6-K;
- we would be subject to additional restrictions on offers and sales of securities outside the U.S., including in Canada; and
- we would lose the ability to rely upon certain exemptions from the OTCQB's corporate governance requirements that are available to foreign private issuers.

If we cease to qualify as a foreign private issuer, our regulatory and compliance costs may increase significantly in order to comply with the requirements discussed above.

If we were to be a passive foreign investment company for U.S. federal income tax purposes, U.S. holders of our common shares (or securities exercisable for or convertible into our common shares) may suffer adverse tax consequences.

If 75% or more of our gross income in a taxable year, including our pro-rata share of the gross income of any company, U.S. or foreign, in which we are considered to own, directly or indirectly, 25% or more of the shares by value, is passive income, then we will be a "passive foreign investment company," or "PFIC," for U.S. federal income tax purposes.

Alternatively, we will be considered to be a PFIC if at least 50% of our assets in a taxable year, averaged over the year and ordinarily determined based on fair market value and including our pro-rata share of the assets of any company in which we are considered to own, directly or indirectly, 25% or more of the shares by value, are held for the production of, or produce, passive income. Once treated as a PFIC for any taxable year, a foreign corporation will generally continue to be treated as a PFIC for all subsequent taxable years for any U.S. shareholder who owned shares of the foreign corporation when it was treated as a PFIC. If we were to be a PFIC, and a U.S. shareholder does not make an election to treat us as a "qualified electing fund," or "QEF," or a "mark-to-market" election, "excess distributions" to such U.S. shareholder, and any gain recognized by such U.S. shareholder on a disposition of our common shares, would be taxed in an unfavorable way. Among other consequences, our dividends, to the extent that they constituted excess distributions, would be taxed at the regular rates applicable to ordinary income, rather than the 20% maximum rate applicable to certain dividends received by an individual from a qualified foreign corporation, and certain "interest" charges may apply. In addition, gains on the sale of our common shares would be treated in the same way as excess distributions.

The tests for determining PFIC status are applied annually. We currently do not expect to be a PFIC for our current and future taxable years. However, because our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time, we may become a PFIC for our current taxable year or any future taxable year. If we do become a PFIC in the future, U.S. shareholders who hold common shares during any period when we are a PFIC will be subject to the foregoing rules, even if we cease to be a PFIC, subject to exceptions for U.S. holders who made timely QEF or mark-to-market elections or certain other elections. We do not currently intend to prepare or provide the information that would enable our common shareholders to make a QEF election.

If we do become a PFIC for our current taxable year or any future taxable year, in addition to U.S. holders of our common shares, a U.S. holder of our securities exercisable for or convertible into our common shares during any year in which we are a PFIC would be adversely affected under the foregoing rules even if we cease to be a PFIC. Such U.S. holders should consult their own tax advisers concerning the potential application of the PFIC rules to their investment.

We have never paid cash dividends on our common shares, and we do not anticipate paying cash dividends in the foreseeable future.

We have never declared or paid any cash dividends on our common shares and do not intend to pay any cash dividends in the foreseeable future. We currently intend to retain any future earnings to fund the growth of our business. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant. As a result, capital appreciation, if any, of our common shares will be the sole source of gain for the foreseeable future. There is no guarantee that our common shares will appreciate in value or even maintain the price at which a shareholder purchased such shareholder's shares.

Provisions in our articles may prevent efforts by our shareholders to effect a change of control of our company or a change in our management.

Our articles provide for our board of directors to be divided into three classes of directors. Directors of each class are chosen for three-year terms upon the expiration of their current terms, and each year one class of directors is elected by our shareholders. Because we have a staggered board, our shareholders may be prevented from replacing a majority of our board of directors at any annual meeting, which may entrench management and discourage unsolicited shareholder proposals that may be in the best interests of our shareholders. In addition, the staggered terms of our directors may reduce the possibility of a tender offer or an attempt at a change in control, even though a tender offer or change in control might be in the best interest of our shareholders.

Liquid market for securities.

Even though currently the Common Shares, which trade on the TSXV, OTCQB, and Frankfurt Stock Exchange, have an active and liquid market. There can be no assurance than an active and liquid market for the Common Shares will continue or be maintained.

Dividends.

To date, the Company has not paid any dividends on its outstanding securities and the Company does not expect to do so in the foreseeable future. Any decision to pay dividends on the Common Shares will be made by the Board.

Trading price of Common Shares and volatility.

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur, and the trading price of the Company's shares may be subject to large fluctuations and may decline below the price at which an investor acquired its shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Company's control nor be a reflection of the Company's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

Requirements of being a public company.

As a reporting issuer, the Company is subject to the reporting requirements of applicable securities legislation of the jurisdiction in which it is a reporting issuer, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with those rules increase the legal and financial costs of the Company compared to being private and make some activities more difficult, time consuming or costly and increase demands on its systems and resources.

DIVIDENDS AND DISTRIBUTIONS

No cash dividends or distributions were declared on the Common Shares for the fiscal years ended 2018, 2019 and 2020. The Board will make all decisions with respect to dividends on the Common Shares, and shall consider the following factors in determining if and when dividends should be declared and paid in the future based on, amongst other things:

- the actual and expected financial results of the Company at the relevant time (including whether the Company has adequate retained earnings);
- economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company;

- the Company's business strategy and operational plans, including future cash commitments and investment needs to sustain the long-term growth of the Company;
- the current and expected liquidity position and capital requirements of the Company; and
- any other factors that the Board deems appropriate.

The Company has not paid any dividends on the Common Shares since its incorporation and the Board does not anticipate that any dividends will be declared on the Common Shares in the immediate or foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

The holders of the Company's common shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per common share at meetings of the Company's shareholders and, upon liquidation, to share equally in such assets of the Company as are distributable to the holders of the Company's common shares. All of the Company's common shares to be outstanding after completion of the proposed Transactions will be fully paid and non-assessable and are not subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a shareholder to contribute additional capital.

There were 16,780,962 common shares of the Company issued and outstanding as of the close of business on September 14, 2021. There are no preferred shares issued and outstanding.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSXV under the trading symbol "BITK". The Company is also quoted for trading on the U.S. OTC QB Market under the symbol "BIDCF" and the Frankfurt Borse under the symbol "KRL2". The following table sets forth the high and low market prices and the trading volumes of the Common Shares on the TSXV for each month during the periods indicated:

Date	Price Range (CDN\$)		Volume (no. of Common Shares)
	High	Low	
September 1 to September 14, 2021	\$ 0.44	\$ 0.285	342,872
August 2021	\$ 0.63	\$ 0.39	1,194,587
July 2021	\$ 0.68	\$ 0.50	371,185
June 2021	\$ 0.80	\$ 0.55	948,838
May 2021	\$ 0.93	\$ 0.48	1,732,280

April 2021	\$ 1.27	\$ 0.76	2,244,169
March 2021	\$ 1.80	\$ 1.08	3,866,804
February 2021	\$ 2.30	\$ 0.83	7,685,506
January 2021	\$ 1.90	\$ 0.68	3,823,844
December 2020	\$ 0.89	\$ 0.32	1,241,333
November 2020	\$ 0.53	\$ 0.28	386,824
October 2020	\$ 0.42	\$ 0.30	57,972
September 2020	\$ 0.39	\$ 0.30	39,551
August 2020	\$ 0.67	\$ 0.30	461,112
July 2020	\$ 0.67	\$ 0.22	903,729
June 2020	\$ 0.55	\$ 0.22	339,793
May 2020	\$ 0.70	\$ 0.11	538,145
April 2020	\$ 0.16	\$ 0.11	101,346
March 2020	\$ 0.15	\$ 0.05	222,801
February 2020	\$ 0.21	\$ 0.12	331,957
January 2020	\$ 0.15	\$ 0.11	158,559
December 2019	\$ 0.17	\$ 0.12	70,761
November 2019	\$ 0.23	\$ 0.12	218,574
October 2019	\$ 0.16	\$ 0.12	100,205

Prior Sales

The following table summarizes the issuances of securities issued or granted by the Company during the most recently completed financial year and the period from the most recent financial year ended to the date of this AIF that are not traded or quoted on a marketplace.

Security	Date of Issuance	Number of Securities	Exercise Price per Security (CDN\$)	Expiry Date
Stock Options	January 7, 2021	700,000	\$0.77	January 7, 2031
Stock Options	March 5, 2021	70,000	\$1.21	March 5, 2031

As at September 30, 2020, there were 3,180,324 stock options outstanding and as of the date of this AIF there are 3,155,243 stock options outstanding.

ESCROWED SECURITIES

As at September 30, 2020, the Company had the following securities subject to contractual restrictions on transfer or other escrow arrangements:

Security	Number of securities held in escrow or that are subject to a contractual restriction on transfer	% of Class
Common Shares – Escrow ⁽¹⁾	497,627	

Note:

(1) In connection with the Qualifying Transaction, the Company signed an Escrow Agreement dated May 29, 2018 with Computershare Investor Services Inc. (“Computershare”), whereby shares held by related parties were to be held in escrow by Computershare. In accordance with the Escrow Agreement, 10% of the shares were to be released on the shares being listed on the TSXV, and 15% to be released pro rata every 6 months thereafter over a 36-month period.

At the date of this AIF, no Common Shares remain in escrow.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The following table sets out the names, province or state and country of residence, positions with or offices held with the Company, and principal occupation for the past five years of each of the Company’s directors and executive officers, as well as the period during which each has been a director or executive offer of the Company.

Name, Position and Province/State and Country of Residence	Principal Occupation During the Past Five Years	Date Served as Director or Executive Officer Since
Sergei Stetsenko, Chief Executive Officer and Director ⁽¹⁾ Dubai, UAE	Mr. Stetsenko is CEO of CRG Finance AG, a private venture capital investment company. CEO of Goldhills Holdings Ltd., a TSXV listed junior mining company.	June 1, 2017
Douglas Wu, Chairman and Director New York, NY, USA	Mr. Wu is Managing Partner of Whitwell Partners, a merchant banking firm. Senior Advisor to a family office. Past interim CEO of Goldhills Holdings Ltd., a TSXV listed junior mining company.	June 1, 2017
Yuying Liang, Chief Financial Officer and Corporate Secretary	Ms. Liang is the Principal and Director of Canmore Financial Services Inc.; Director and CFO of Modern Plant Based Foods Inc., and Montego Resources Inc.; CFO of Goldhills Holding Ltd., Intact Gold Corp. and Kincora Copper Limited.	January 30, 2019

<p>John Lema, Director ⁽¹⁾ Richmond Hill, NY, USA</p>	<p>Mr. Lema is President of BetterSpaces, a commercial real estate technology firm that is partnered with the largest commercial real estate firms in the world. Previously, he was the CEO, Co-Founder and architect of ScrollMotion, a publishing and B2B iOS application and SaaS platform that provided apps on iTunes, Google Play, Blackberry App Store and Microsoft Mobile store. He was an E&Y Entrepreneur of the Year Finalist in 2012. Mr. Lema is a graduate of Carnegie-Mellon University with a degree in Chemistry.</p>	<p>September 24, 2020</p>
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Name, Position and Province/State and Country of Residence ⁽¹⁾	Principal Occupation During the Past Five Years	Date Served as Director or Executive Officer Since
Steven Sangha, Director ⁽¹⁾ Richmond, BC, Canada	Dr. Steven Sangha has over twenty years experience in capital markets primarily in an advisory role in financing, strategic assessments of asset and management, and business development. Area of focus is biotechnology and mining and more recently digital currency. Has extensive experience building, operating and managing many successful businesses. He has a BSc in Pharmaceutical Science from University of British Columbia and Doctor of Dental Surgery from the University of Western Ontario.	September 22, 2020

Notes:

(1) Member of the Audit Committee.

Each director's term of office expires at the next annual general meeting of the Company.

Shareholdings of Directors and Senior Management

As at the date of this AIF, to the best of the Company's knowledge, the Company's directors and executive officers as a group, beneficially owned, directly and indirectly, or exercised control or direction over, a total of 3,414,750 Common Shares, being approximately 20.3% of the Company's issued and outstanding Common Shares on an undiluted basis before giving effect to the exercise of rights, options, or warrants to purchase or otherwise receive Common Shares held by such directors and executive officers.

Committees of the Board

There is only one committee of the Board, the Audit Committee, Mr. Stetsenko is the head and its members are Mr. Lema and Mr. Sangha.

Biographies of Directors and Officers

Sergei Stetsenko, Chief Executive Officer and Director

Mr. Sergei Stetsenko is a financier and venture capitalist who is acting CEO of CRG Finance AG, a private venture capital firm in Zug, Switzerland. He has helped raise over \$100 mm in capital for companies in the technology, health care, communications and natural resource sectors. He is a founder of Vynleads, a US technology company, and was founder and CEO from 2003-2005 of Peleton Resources (now Triangle Petroleum – TPLM on the NYSE).

Douglas Wu, Chairman and Director

Mr. Douglas Wu is Managing Partner at Whitwell Partners, a merchant banking firm. He has helped acquire, build and exit businesses in a variety of industries including insurance services, natural resources, infrastructure, financial services. He was formerly Managing Director/ Head of Private Equity at Rothschild Emerging Markets and CEO of G2 Natural Resources, a joint venture with G2 Investment Group. He began his career at Thomas H. Lee Company, a private equity firm. He is a graduate of Harvard College and Harvard Business School and is Industrial Sector Lead of HBS Alumni Angels.

John Lema, Director

John Lema is a serial technology CEO and CTO. He is currently the CEO of Elevate, a venture backed real estate SAS company partnered with several of the largest commercial real estate firms. He is the former CTO of Convene and CEO / founder of ScrollMotion, a leading B2B SAS platform that was the largest supplier of apps to iTunes. He led sales teams servicing leading clients including GE, Exxon and Toyota. Additionally, he was the EY Entrepreneur of the Year Finalist in 2012 and is a graduate of Carnegie Mellon.

Steven Sangha, Director

Dr. Steven Sangha has over twenty years experience in capital markets primarily in an advisory role in financing, strategic assessments of asset and management, and business development. His area of focus is biotechnology and mining and more recently digital currency. He has extensive experience building, operating and managing many successful businesses. He has a B.Sc in Pharmaceutical Science from the University of British Columbia and Doctor of Dental Surgery from the University of Western Ontario.

Yuying Liang, Chief Financial Officer and Corporate Secretary

Ms. Liang is a principal and director of Canmore Financial Services Inc., which provides financial reporting services and full-service accounting to private and public companies in a variety of industries. Ms. Liang has extensive experience in public company environment and has provided services such as financial reporting, company filings, and quarterly and annual budgets. Ms. Liang earned her Bachelor of Business Administration from Simon Fraser University and holds the professional designation of chartered professional accountant (CPA).

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Other than disclosed below, to the knowledge of the Company, no director, executive officer or Shareholder of the Company holding a sufficient number of Common Shares to materially affect control is, as at the date in this AIF, or has been, within 10 years before the date in this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

- was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has within the 10 years before the date in this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Conflicts of Interest

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest between the Company and any director or officer of the Company, except that certain of the directors and officers serve as directors and officers of other public companies, and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director or officer of such other companies. See "RISK FACTORS – General Risk Factors – Conflicts of Interest". Conflicts of interest will be subject to, and will be resolved in accordance with, the procedures and remedies under the BCBCA.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee's Charter

The charter of the Audit Committee is reproduced in its entirety in Schedule "A" to this AIF.

Composition of the Audit Committee

The following are members of the Audit Committee as of the date of this AIF:

	Independent ⁽¹⁾	Financially Literate ⁽²⁾	Relevant Education and Experience
Sergei Stetsenko	No	Yes	Mr. Sergei Stetsenko is a financier and venture capitalist who is acting CEO of CRG Finance AG, a private venture capital firm in Zug, Switzerland. He has helped raise over \$100 mm in capital for companies in the technology, health care, communications and natural resource sectors. He is a founder of Vynleads, a US technology company, and was founder and CEO from 2003-2005 of Peleton Resources (now Triangle Petroleum. TPLM on the NYSE).
John Lema	Yes	Yes	Mr. Lema is currently the President of BetterSpaces, a commercial real estate technology firm that is partnered with the largest commercial real estate firms in the world. Previously, he was the CEO, Co-Founder and architect of ScrollMotion, a publishing and B2B iOS application and SaaS platform that provided apps on iTunes, Google Play, Blackberry App Store and Microsoft Mobile store. He was an E&Y Entrepreneur of the Year Finalist in 2012. Mr. Lema is a graduate of Carnegie-Mellon University with a degree in Chemistry
Steven Sangha	Yes	Yes	Dr. Steven Sangha has over twenty years experience in capital markets primarily in an advisory role in financing, strategic assessments of asset and management, and business development. His area of focus is biotechnology and mining and more recently digital currency. He has extensive experience building, operating and managing many successful businesses. He has a BSc in Pharmaceutical Science from University of British Columbia and Doctor of Dental Surgery from the University of Western Ontario.

Notes:

(1) A member of the Audit Committee is independent if he or she has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the CEO, is deemed to have a material relationship with the Company.

(2) A member of the Audit Committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each audit committee member has gained financial literacy through their years of experience serving as directors and officers of several companies (including this Company) as financial industry executives and serving on other audit committees and boards. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the Company and its operating results. Each member has significant understanding of the Blockchain and cryptocurrency business which the Company engages in and has an appreciation for the relevant accounting principles for that business.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Company is a "venture issuer" as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) thereof.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "External Auditors Service Fees (By Category)" below.

External Auditor Service Fees (By Category)

The table below sets out all fees billed by the Company's external auditor in each of the last two fiscal years:

- "Audit Fees" refers to fees billed by the Company's external auditor for services provided in auditing the Company's financial statements for the fiscal year;
- "Audit Related Fees" are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements;
- "Tax Fees" are fees billed by the Company's external auditors for professional services rendered for tax compliance, tax advice and tax planning; and
- "All Other Fees" are fees billed by the external auditor for products and services not included in the foregoing categories:

Financial Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
September 30, 2020	29,354	Nil	2,500	Nil

September 30, 2019	18,220	Nil	1,400	Nil
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PROMOTERS

The Company has not had any promoters within the past two years.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Neither the Company nor any its subsidiaries is or was a party to, nor any of its property is or was the subject of, any material legal proceedings during Fiscal 2020, and no such proceedings are known to be contemplated.

Regulatory Actions

Neither the Company nor any of its subsidiaries has been subject to any:

- penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during Fiscal 2020;
- other penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority that would likely be considered important to a reasonable investor making an investment decision; or
- settlement agreements entered into by the Company before a court relating to securities legislation or with a securities regulatory authority during Fiscal 2020.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this AIF, no director, executive officer or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities and no associate or affiliate of any of such persons or companies has any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years or since the commencement of the Company's last completed fiscal year or in any proposed transaction, which, in either case, has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

AUDITORS, TRANSFER AGENT, AND REGISTRAR

The Company's transfer agent for its Common Shares is Computershare Investor Services Inc. with offices at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

The auditors of the Company are Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, at its offices located at 1500 – 1140 West Pender Street, Vancouver, BC V6E 4G1.

MATERIAL CONTRACTS

Material contracts under NI 51-102 are contracts, other than contracts entered into in the ordinary course of the Company's business, which are material to the Company. The Company has not entered into any material contracts since October 1, 2020, being the commencement of the Company's most recently completed financial year.

INTERESTS OF EXPERTS

Names of Experts

The following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing made under NI 51-102 by the Company during or relating to Fiscal 2020 and whose profession or business gives authority to such report, valuation, statement or opinion:

- Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, are the independent auditors of the Company and have provided an auditor's report in respect of the financial statements for the years ended September 30, 2020 and 2019. Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

Interests of Experts

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, does not beneficially own, directly or indirectly, any securities; nor does it have any interest in the property of the Company, and neither Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, nor any of its directors, officers or employees is, or expects to be, elected, appointed or employed as a director, officer or employee of the Company or its associates or affiliates.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, options to purchase securities, interests in material transactions, and securities authorized for issuance under equity compensation plans (as applicable) is and will be contained in the Company's management information circulars for its prior and upcoming annual general meetings, which are and will be available under the Company's profile on SEDAR.

Additional financial information, including information with respect to risks and uncertainties, is provided in the Company's audited consolidated financial statements and management discussion & analysis for the year ended September 30, 2020. Copies of the financial statements and MD&A are available under the Company's profile on SEDAR.

Dated: September 14, 2021

BY ORDER OF THE BOARD OF DIRECTORS

“Sergei Stetsenko”

Sergei Stetsenko

Chief Executive Officer

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting.

Meetings

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.

- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- (c) Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

- ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- iii) such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Original Approval Date: October 30, 2020

Approved by: Audit Committee & Board of Directors