



VOLEO, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2018

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of Voleo, Inc.

Opinion

We have audited the consolidated financial statements of Voleo, Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that as at December 31, 2018, the Company has working capital of \$222,843 and an accumulated deficit of \$6,329,397. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

May 13, 2019

VOLEO, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	AS AT DECEMBER 31, 2018	AS AT DECEMBER 31, 2017
ASSETS		
Current assets		
Cash	\$ 239,361	\$ 244,925
Amounts receivable (note 3)	9,004	9,056
Prepaid expenses (note 4)	47,207	21,416
Promissory note receivable (note 5)	109,780	104,176
	<u>405,352</u>	<u>379,573</u>
Deposit (note 6)	47,890	43,995
Equipment (note 7)	1,716	2,697
	<u>\$ 454,958</u>	<u>\$ 426,265</u>
LIABILITIES		
Current liabilities		
Accounts payable (note 8)	\$ 157,424	\$ 57,705
Accrued liabilities	25,085	32,718
Due to shareholder (note 8)	-	10,800
	<u>182,509</u>	<u>101,223</u>
Equity		
Share capital (note 9)	5,805,559	4,542,795
Other equity reserves (note 9)	791,547	734,790
Accumulated other comprehensive income	4,740	2,117
Deficit	(6,329,397)	(4,954,660)
	<u>272,449</u>	<u>325,042</u>
	<u>\$ 454,958</u>	<u>\$ 426,265</u>

Nature of operations and going concern (note 1)
Commitments (note 14)
Proposed Transaction (notes 1 and 15)
Subsequent events (note 17)

Approved on May 13, 2019 on behalf of the Board of Directors:

"Jay Sujir" Director
Jay Sujir

"Mark Morabito" Director
Mark Morabito

VOLEO, INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	FOR THE YEAR ENDED DECEMBER 31, 2018	FOR THE YEAR ENDED DECEMBER 31, 2017
REVENUE	\$ 11,074	\$ 2,295
EXPENSES (note 16)		
General and administration	538,701	278,330
Research and development (note 7)	495,892	249,150
Sales and marketing	249,710	103,666
Broker dealer compliance	97,837	98,355
Clearing and execution	5,383	21,860
	<u>(1,387,523)</u>	<u>(751,361)</u>
OTHER ITEMS		
Interest income (notes 5 and 6)	5,650	4,176
Foreign exchange gain (loss)	(3,938)	599
	<u>1,712</u>	<u>4,775</u>
LOSS FOR THE YEAR	(1,374,737)	(744,291)
Cumulative translation adjustment	2,623	(6,155)
COMPREHENSIVE LOSS FOR THE YEAR	\$ (1,372,114)	\$ (750,446)
Basic and diluted loss per common share	\$ (0.03)	\$ (0.02)
Weighted average number of common shares outstanding	45,113,214	36,946,038

VOLEO, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	FOR THE YEAR ENDED DECEMBER 31, 2018	FOR THE YEAR ENDED DECEMBER 31, 2017
OPERATING ACTIVITIES		
Loss for the year	\$ (1,374,737)	\$ (744,291)
Items not affecting cash:		
Share-based payments	-	101,913
Obligation to issue performance shares	59,904	-
Common shares issued for services	140,000	12,750
Interest income accrued	(5,604)	(4,176)
Interest income received	(46)	-
Depreciation	981	245
Net change in non-cash working capital items:		
Accounts payable and accrued liabilities	135,786	67,298
Amounts receivable	52	(3,939)
Clearing deposit	-	23,158
Prepaid expenses	(25,791)	(6,252)
Cash used in operating activities	<u>(1,069,455)</u>	<u>(553,294)</u>
INVESTING ACTIVITIES		
Purchase of equipment	-	(2,942)
Cash used in investing activities	<u>-</u>	<u>(2,942)</u>
FINANCING ACTIVITIES		
Issuance of common shares	1,084,449	571,450
Shareholder loans	-	30,013
Share issue costs	(19,332)	(5,724)
Cash provided by financing activities	<u>1,065,117</u>	<u>595,739</u>
Net change in cash during the year	(4,338)	39,503
Effect of foreign exchange on cash	(1,226)	(6,155)
Cash, beginning of the year	<u>244,925</u>	<u>211,577</u>
Cash, end of the year	<u>\$ 239,361</u>	<u>\$ 244,925</u>

Supplemental disclosures with respect to cash flows (note 10)

VOLEO, INC.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	NUMBER OF COMMON SHARES	SHARE CAPITAL	OTHER EQUITY RESERVES	DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL
Balance, December 31, 2016	35,641,418	\$ 3,828,717	\$ 672,627	\$ (4,210,369)	\$ 8,272	\$ 299,247
Private placement (note 9)	6,673,026	667,302	-	-	-	667,302
Shares issued for services (note 9)	127,500	12,750	-	-	-	12,750
Shares issues for warrants forfeited (note 9)	159,000	39,750	-	-	-	39,750
Share issue costs (note 9)	-	(5,724)	-	-	-	(5,724)
Share-based payments (note 9)	-	-	62,163	-	-	62,163
Loss for the year	-	-	-	(744,291)	-	(744,291)
Translation adjustment	-	-	-	-	(6,155)	(6,155)
Balance, December 31, 2017	42,600,944	4,542,795	734,790	(4,954,660)	2,117	325,042
Private placement (note 9)	3,105,568	1,086,949	-	-	-	1,086,949
Bonus shares (note 9)	211,631	-	-	-	-	-
Exercise of stock options (note 9)	216,400	55,147	(3,147)	-	-	52,000
Shares issued for services (notes 9 and 14)	400,000	140,000	-	-	-	140,000
Share issue costs (note 9)	10,000	(19,332)	-	-	-	(19,332)
Obligation to issue performance shares (note 14)	-	-	59,904	-	-	59,904
Loss for the year	-	-	-	(1,374,737)	-	(1,374,737)
Translation adjustment	-	-	-	-	2,623	2,623
Balance, December 31, 2018	46,544,543	\$ 5,805,559	\$ 791,547	\$ (6,329,397)	\$ 4,740	\$ 272,449

VOLEO, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Voleo, Inc. (the “Company”) is a privately held mobile-focused fintech company and has developed mobile applications and software platforms to meet the investment expectations of millennial investors, including social trading applications for stocks and cryptocurrencies. The Company’s applications facilitate investment clubs and individual accounts where all users have access to a community of investors. The Company’s wholly owned subsidiary, Voleo USA, Inc. (“Voleo USA”), is a Financial Industry Regulatory Authority (“FINRA”) member operating as a broker-dealer and registered with the U.S. Securities and Exchange Commission (the “SEC”).

On January 29, 2018, the Company entered into an amalgamation agreement with Logan Resources Ltd. (“Logan”), a publicly traded company on the TSX Venture Exchange (the “Exchange”). Pursuant to the amalgamation agreement, Logan will incorporate a wholly owned subsidiary (“Subco”) and Subco and the Company will amalgamate (the “Transaction”) (note 15). The Transaction will result in the reverse takeover of Logan by the shareholders of the Company.

The Company’s head office and registered office is located at 1240 – 1140 West Pender Street, Vancouver, British Columbia, Canada, V6E 4G1. The Company was incorporated under the laws of British Columbia on May 1, 2013 and continued as a Federal corporation pursuant to the Canada Business Corporations Act effective May 25, 2015.

These consolidated financial statements have been prepared on a going concern basis. This presumes funds will be available to finance ongoing development, operations and capital expenditures, and the realization of assets and payment of liabilities in the normal course of operations for the foreseeable future.

As at December 31, 2018, the Company had working capital of \$222,843 and an accumulated deficit of \$6,329,397. At present, the Company has no material operating income or cash flows. Without additional financing, the Company will be unable to fund its ongoing operations and meet upcoming commitments for the next twelve months (note 14). The Company intends to finance its future requirements through equity issuances. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments related to the recoverability of assets and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

VOLEO, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION *(continued)*

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Voleo USA and Cryptoleo, Inc. (“Cryptoleo”). A wholly owned subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated on consolidation.

Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders’ equity, and the disclosure of contingent assets and liabilities as at the date of the financial statements, and expenses for the years reported.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- (a) The recoverability of receivables, prepayments and deposits that are included in the consolidated statements of financial position.
- (b) The fair value of stock options and warrants, which requires the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments.
- (c) The recoverability of deferred tax assets based on the assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions.
- (d) The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

VOLEO, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION *(continued)*

Financial instruments

Effective January 1, 2018, the Company adopted IFRS 9, *Financial Instruments* (“IFRS 9”). IFRS 9 replaces IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”). IFRS 9 provides three different measurement categories for non-derivative financial assets – subsequently measured at amortized cost, fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income – while all non-derivative financial liabilities are classified as subsequently measured at amortized cost. The category into which a financial asset is placed and the resultant accounting treatment is largely dependent on the nature of the business of the entity holding the financial asset. All financial instruments are initially recognized at fair value.

The implementation of the new standard did not have a material impact on the measurement of the Company’s reported financial results; however additional disclosures have been provided.

Financial assets

The Company initially recognizes financial assets on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies all of its financial assets as subsequently measured at amortized cost. All financial assets that do not meet the criteria to be recognized as subsequently measured at amortized cost or subsequently measured at fair value through other comprehensive income are classified as FVTPL.

Financial liabilities

The Company measures all of its financial liabilities as subsequently measured at amortized cost. Financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method.

VOLEO, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION *(continued)*

Financial instruments *(continued)*

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company and Cryptoleo is the Canadian dollar and the functional currency of Voleo USA is the United States dollar.

Accordingly, the accounts of Voleo USA are translated into Canadian dollars as follows:

- all of the assets and liabilities are translated at the rate of exchange in effect on the date of the statement of financial position;
- income and expenses are translated at the exchange rate approximating those in effect on the date of the transactions; and
- exchange gains and losses arising from translation are included in accumulated other comprehensive income.

Transactions occurring in currencies other than the functional currency of the entity in question are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Income and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot

VOLEO, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION *(continued)*

Share-based payments *(continued)*

be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options is recognized over the vesting period of the options granted as both share-based payments expense and other equity reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The other equity reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to share capital.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. For diluted loss per share computations, assumptions are made regarding potential common shares outstanding during the year. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the year, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the year, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Research and development

Research costs are expensed as incurred. Development costs are expensed as incurred until such time they meet criteria specific for deferral and amortization. Management assesses whether it has met such criteria at each reporting date. In making the assessment, management considers the status of product development, including but not limited to technical feasibility, intention to complete, ability to use and sell, probability of future economic benefits, and availability of adequate resources. The Company has not deferred any product development expenditures to date.

Revenue recognition

The Company adopted IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") on a retroactive basis in accordance with the transitional provisions. IFRS 15 replaced IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and related interpretations on revenue. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The new standard requires companies to follow a five-step model to determine if revenue should be recognized:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price

VOLEO, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION *(continued)*

Revenue recognition *(continued)*

4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when the entity satisfies a performance obligation

The Company has concluded that there are no significant differences between the point of risks and rewards transfer and the point of transfer of control under IFRS 15. As such, no adjustment has been recorded to the comparative figures.

Revenue includes commissions and rebates. Revenue generated from commissions and rebates is recognized on a trade date basis.

Equipment

Equipment is carried at cost, less accumulated depreciation. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided for at the following rates:

Asset	Rate
Computer equipment	3 years, straight-line method

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statement of operations and comprehensive loss.

The residual values, useful lives, and methods of depreciation are reviewed at each reporting period and adjusted prospectively if appropriate.

Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the reporting period end date.

VOLEO, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PRESENTATION *(continued)*

Income taxes *(continued)*

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are presented separately except where there is a right to offset within a fiscal jurisdiction.

Standards and interpretations not yet adopted

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

3. AMOUNTS RECEIVABLE

	December 31, 2018	December 31, 2017
Goods and services tax receivable	\$ 7,915	\$ 8,655
Other receivables	1,089	401
	\$ 9,004	\$ 9,056

4. PREPAID EXPENSES

	December 31, 2018	December 31, 2017
Broker dealer compliance	\$ 23,459	\$ 21,416
Deferred transaction costs	22,750	-
Other	998	-
	\$ 47,207	\$ 21,416

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4. PREPAID EXPENSES *(continued)*

As of December 31, 2018, the balance of prepaid expenses includes deferred transaction costs in the amount of \$22,750 (2017 - \$Nil) with respect to the Transaction (notes 1 and 15).

5. PROMISSORY NOTE RECEIVABLE

On February 25, 2015, the Company executed a promissory note in the amount of \$100,000 which is receivable from a company controlled by the Chief Executive Officer (“CEO”) of the Company (the “Promissory Note”) and personally guaranteed by the CEO of the Company. The Promissory Note was used by the CEO to purchase 500,000 common shares of the Company.

The Promissory Note was non-interest bearing and had an initial maturity date of February 25, 2017. The Promissory Note is now past due and bears interest at the Royal Bank of Canada prime lending rate plus 2%.

During the year ended December 31, 2018, the Company accrued interest income in the amount of \$5,604 (2017 - \$4,176).

6. DEPOSIT

On April 28, 2016, Voleo USA entered into a fully disclosed clearing agreement (the “Clearing Agreement”) with Apex Clearing Corporation (“Apex”) whereby Apex performs the function of a clearing broker to maintain cash, margin, option or other accounts for Voleo USA and its customers. Pursuant to the Clearing Agreement, Voleo USA is required to maintain a minimum deposit account with Apex (the “Deposit Account”) (note 14).

Changes in the balance of the Deposit Account during the years ended December 31, 2018 and 2017 are summarized below.

	December 31, 2018	December 31, 2017
Beginning balance	\$ 43,995	\$ 67,153
Clearance and execution costs	-	(19,479)
Interest income earned	46	73
Foreign currency translation	3,849	(3,752)
Ending balance	\$ 47,890	\$ 43,995

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7. EQUIPMENT

Changes in the balance of equipment during the years ended December 31, 2018 and 2017 are summarized below.

	Equipment	
Cost		
Balance, December 31, 2016	\$	-
Additions		2,942
Balance, December 31, 2017 and December 31, 2018	\$	2,942
Accumulated Depreciation		
Balance, December 31, 2016	\$	-
Depreciation		245
Balance, December 31, 2017		245
Depreciation		981
Balance, December 31, 2018	\$	1,226
Net book value		
As at December 31, 2017	\$	2,697
As at December 31, 2018	\$	1,716

For the year ended December 31, 2018, depreciation expense in the amount of \$981 (2017 - \$245) was included in research and development expenses.

8. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties and related party transactions impacting the consolidated financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors, and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

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8. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

Remuneration attributed to key management personnel for the years ended December 31, 2018 and 2017 can be summarized as follows:

	December 31, 2018	December 31, 2017
Short-term benefits	\$ 134,823	\$ 118,638
Share-based payments (note 9)	-	59,475
	\$ 134,823	\$ 178,113

Other related party transactions

Transactions entered into with related parties, other than key management personnel and not otherwise disclosed, for the years ended December 31, 2018 and 2017 include the following:

	December 31, 2018	December 31, 2017
King & Bay West Management Corp.	\$ 146,487	\$ 64,489

King & Bay West Management Corp. ("King & Bay West"): King & Bay West is an entity that is controlled by a director and employs or retains an officer and certain consultants of the Company. King & Bay West provides administrative, regulatory, legal, finance, and corporate development services to the Company.

Related party balances

Accounts payable

As at December 31, 2018, accounts payable and accrued liabilities include the following amounts due to related parties:

- CEO of the Company - \$5,246 (2017 - \$11,822) with respect to expenses incurred on behalf of the Company.
- Momentum Ventures Inc., a company controlled by the CEO of the Company - \$10,500 (2017 - \$10,500) with respect to consulting services.
- King & Bay West - \$57,694 (2017 - \$4,866) with respect to the management services described above.
- A director of the Company - \$Nil (2017 - \$445) with respect to expenses incurred on behalf of the Company.

The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

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8. RELATED PARTY BALANCES AND TRANSACTIONS *(continued)*

Related party balances *(continued)*

Due to shareholder

During the year ended December 31, 2016, the Company received advances from shareholders in the amount of \$140,000, of which \$120,200 was repaid by issuing 400,667 common shares of the Company.

During the year ended December 31, 2017, the Company issued 90,000 common shares to settle a further \$9,000 of the shareholder advance (note 9).

During the year ended December 31, 2018, a shareholder exercised 54,000 stock options with a total exercise price of \$10,800 which was applied to the amount previously advanced by the shareholder (note 9).

As at December 31, 2018, the balance due to a shareholder was \$Nil (2017 - \$10,800). The amount was unsecured, non-interest bearing and had no fixed terms of repayment.

Equity

During the year ended December 31, 2018, the Company issued 61,023 common shares to related parties for \$nil consideration as follows: 5,000 common shares to a family member of the CEO of the Company, 20,957 common shares to King & Bay West, 3,400 common shares to the family members of a director of the Company, 5,000 common shares to the CEO of the Company, and 26,666 common shares to a company controlled by a director of the Company. The common shares were issued pursuant to subscription agreements executed during the year ended December 31, 2016 whereby the subscribers received an additional 10% common shares in the event that the Company did not complete by January 1, 2018 (i) an initial public offering; (ii) another transaction as a result of which all outstanding common shares of the Company, or the securities of another issuer issued in exchange for all such outstanding common shares of the Company, are traded on a recognized stock exchange and are freely tradable; or (iii) a transaction as a result of which all outstanding common shares of the Company are acquired for cash consideration.

9. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Unlimited number of preferred shares without par value.

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9. SHARE CAPITAL *(continued)*

Common share issuances

During the year ended December 31, 2018, the Company issued 3,721,968 common shares for private placements, exercise of stock options and services rendered for total consideration of \$1,278,949. The consideration included cash received of \$1,084,449, settlement of accounts payable of \$43,700, consulting services received of \$140,000 and settlement of a shareholder loan of \$10,800. In addition, the Company incurred cash share issue costs in the amount of \$19,332 with respect to the share issuances.

During the year ended December 31, 2018, the Company issued 211,631 common shares for \$nil consideration pursuant to certain subscription agreements executed during the year ended December 31, 2016 whereby the subscribers received an additional 10% common shares in the event that the Company did not complete by January 1, 2018 (i) an initial public offering; (ii) another transaction as a result of which all outstanding common shares of the Company, or the securities of another issuer issued in exchange for all such outstanding common shares of the Company, are traded on a recognized stock exchange and are freely tradable; or (iii) a transaction as a result of which all outstanding common shares of the Company are acquired for cash consideration.

During the year ended December 31, 2018, the Company issued 10,000 common shares valued at \$3,500 to a third party as finders' fees in connection with an equity financing completed.

During the year ended December 31, 2017, the Company issued 6,800,526 common shares for total consideration of \$680,052 which included cash received of \$571,450, settlement of accounts payable of \$86,852, settlement of a shareholder loan of \$9,000, and consulting services received of \$12,750. The Company incurred cash share issue costs in the amount of \$5,724 with respect to the share issuances.

During the year ended December 31, 2017, the Company issued 159,000 common shares valued at \$39,750 in exchange for the cancellation of 8,500,000 warrants. The deemed consideration in the amount of \$39,750 was expensed as share-based payments and included in general and administration expenses.

Restricted common share issuances

Restricted common shares are held in escrow on issuance and are released from escrow subsequent to the holder's departure from the Company. Any unvested restricted common shares are forfeited by the holder upon departure from the Company. Any difference between the fair value of the restricted common shares at the issuance date and consideration received will be expensed as share-based payment expense over the vesting period, net of forfeitures.

As at December 31, 2018 and 2017, 3,026,500 common shares were restricted and had fully vested.

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9. SHARE CAPITAL *(continued)*

Restricted common share issuances *(continued)*

During year ended December 31, 2018, the Company recorded share-based payment expense with respect to restricted common shares in the amount of \$Nil (2017 - \$53,428) which was included in general and administration and research and development expenses in the amounts of \$Nil (2017 - \$21,000) and \$Nil (2017 - \$32,428), respectively.

Stock options

The Company issues stock options to employees and consultants as compensation for services.

Effective November 29, 2017, stock options are administrated in accordance with the Company's Incentive Stock Option Plan (the "Plan"). The maximum price shall not be less than the closing price of the common shares on the last trading day preceding the date on which the grant of options is approved by the Board of Directors. In the event that the common shares are not listed or posted for trading on any stock exchange or other quotation system, the exercise price shall be the fair market value of the common shares as determined by the Board of Directors. Options have a maximum expiry period of ten years from the grant date. The number of options that may be issued under the Plan is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant. Vesting schedules and expiry periods are at the discretion of the Board of Directors.

The following table summarizes stock option activity for the years ended December 31, 2018 and 2017:

	Number of stock options	Weighted average exercise price
Outstanding, December 31, 2016	2,175,000	\$0.37
Granted	50,000	\$0.30
Outstanding, December 31, 2017	2,225,000	\$0.37
Exercised	(216,400)	\$0.24
Expired	(431,000)	\$0.20
Outstanding, December 31, 2018	1,577,600	\$0.43

During the year ended December 31, 2018, the Company issued 216,400 common shares pursuant to the exercise of 216,400 stock options. The fair value of the stock options in the amount of \$3,147 was credited to share capital.

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9. SHARE CAPITAL *(continued)*

Stock options *(continued)*

As at December 31, 2018, the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining life (years)	Expiry date
250,000	250,000	\$0.20	0.17	March 1, 2019
20,000	20,000	\$0.50	0.62	August 14, 2019
70,000	70,000	\$0.50	0.75	September 30, 2019
1,067,600	1,067,600	\$0.50	0.94	December 8, 2019
120,000	120,000	\$0.30	1.56	July 20, 2020
50,000	50,000	\$0.30	2.06	January 20, 2021
1,577,600	1,577,600			

The Company recognizes share-based payment expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares, forfeiture rate, and expected life of the options.

During the year ended December 31, 2018, the Company recognized share-based payment expense with respect to stock options in the amount of \$Nil (2017 - \$8,735) which was included in sales and marketing expense.

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted average assumptions were used to estimate the weighted average grant date fair values during the years ended December 31, 2018 and 2017:

	December 31, 2018	December 31, 2017
Risk-free interest rate	-	1.03%
Expected life (years)	-	4.00
Annualized volatility	-	100%
Dividend yield	-	0%

The weighted average grant date fair value of options granted during the year ended December 31, 2018 was \$Nil (2017 - \$8,735).

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9. SHARE CAPITAL *(continued)*

Warrants

The following table summarizes warrant activity for the years ended December 31, 2018 and 2017:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2016	8,998,571	\$1.55
Cancelled	(8,500,000)	\$1.63
Outstanding, December 31, 2017 and 2018	498,571	\$0.20

During the year ended December 31, 2017, the Company issued 159,000 common shares valued at \$39,750 in exchange for the cancellation of 8,500,000 warrants. The deemed consideration in the amount of \$39,750 was expensed as share-based payments and included in general and administration expenses.

As at December 31, 2018, the following warrants were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining life (years)	Expiry date
498,571	498,571	\$0.20	6.15	February 20, 2025

10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Non-cash transactions affecting cash flows from investing or financing activities during the year ended December 31, 2018 are summarized below:

- The Company issued 400,000 common shares valued at \$140,000 for services (notes 9 and 14).
- The Company issued 148,115 common shares to settle accounts payable in the amount of \$43,700 (note 9).
- The Company issued 54,000 common shares which was applied to amounts due to a shareholder in the amount of \$10,800 (notes 8 and 9).
- The Company recognized \$59,904 as the current year vested portion for an obligation to issue 600,000 common shares based on achievement of certain milestones (note 14).

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10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS *(continued)*

Non-cash transactions affecting cash flows from investing or financing activities during the year ended December 31, 2017 are summarized below:

- The Company issued 127,500 common shares valued at \$12,750 for services (note 9).
- The Company issued 159,000 common shares valued at \$39,750 in exchange for the cancellation of 8,500,000 warrants (note 9). The deemed consideration in the amount of \$39,750 was expensed as share-based payments.
- The Company issued 868,526 common shares to settle accounts payable in the amount of \$86,852 (note 9).
- The Company issued 90,000 common shares to settle a shareholder loan of \$9,000 (notes 8 and 9).

11. INCOME TAXES

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

	December 31, 2018	December 31, 2017
Loss for the year	\$ 1,374,737	\$ 744,291
Income tax recovery at statutory rates	\$ (371,000)	\$ (194,000)
Permanent differences	17,000	27,000
Share issue costs	(43,000)	5,000
Impact of different foreign statutory tax rates on earnings of subsidiaries	(8,000)	(12,000)
Changes in unrecognized deductible temporary differences	405,000	174,000
Total income tax recovery	\$ -	\$ -

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11. INCOME TAXES *(continued)*

The significant deductible temporary differences, unused tax losses and expiry dates are as follows:

	December 31, 2018	Expiry Date Range	December 31, 2017
Non-capital losses available for future period – Canada	\$ 5,017,000	2033 – 2038	\$ 3,814,000
Non-capital losses available for future period – United States	\$ 366,000	2035 – 2038	\$ 257,000
Share issue costs	\$ 19,000	No expiry	\$ 5,000

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

12. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

In the past, the Company has raised funds through the issuance of common shares. However, it is uncertain whether the Company will continue to be successful in raising funds through the issuance of common shares in the future. Management reviews its capital management approach on an ongoing basis and believes this approach, given the relative size of the Company, is reasonable.

There were no changes to the Company's approach to capital management during the year ended December 31, 2018.

Voleo USA is subject to the SEC's Uniform Net Capital Rule, 15c3-1, (the "Rule"), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, as both defined, shall not exceed 15 to 1. In accordance with the Rule, Voleo USA is required to maintain defined minimum net capital equal to the greater of US\$5,000 or 1/15th of aggregate indebtedness. As at December 31, 2018 and 2017, Voleo USA exceeded the minimum net capital requirement.

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13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, deposit, amounts receivable, promissory note receivable, and accounts payable and accrued liabilities.

The fair value of the Company's promissory note receivable, amounts receivable, and accounts payable and accrued liabilities approximate their carrying value, the amount presented on the consolidated statements of financial position, due to their short-term maturities or ability of prompt liquidation. The Company has no level 2 or level 3 fair value measurements.

The Company's financial instruments are subject to certain risks.

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, deposit and the promissory note receivable. The risk arises from the non-performance by counterparties of contractual financial obligations. To minimize credit risk, the Company places cash and deposit with high credit quality financial institutions and brokerage firms. As at December 31, 2018 the promissory note receivable is past due but not impaired.

The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

Liquidity risk

The Company's approach to managing liquidity risk is to have sufficient funds to meet liabilities when they become due. During the year ended December 31, 2018, the Company completed equity financing and entered into an amalgamation agreement which is subject to additional concurrent financing (note 15).

Market risk

Market risks consist of interest rate risk, foreign currency risk and other price risk.

Interest rate risk

As at December 31, 2018, the Company is not exposed to interest rate risk.

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13. FINANCIAL INSTRUMENTS *(continued)*

Market risk *(continued)*

Foreign currency risk

Voleo USA incurs operating expenditures denominated in US dollars in connection with its registered broker dealer functions, exposing the Company to foreign currency risk. The Company's financing has been denominated in Canadian dollars but any future equity raised may be in either US dollars or Canadian dollars. As at December 31, 2018, approximately 5% of cash and 100% of deposits are held in US dollar bank or brokerage accounts. A 10% change in the Canadian dollar versus the US dollar would affect the loss of the Company by approximately \$900 and the comprehensive loss of the Company by approximately \$3,500.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

14. COMMITMENTS

Apex Clearing Agreement

On April 28, 2016, Voleo USA entered into the Clearing Agreement with Apex whereby Apex performs the function of a clearing broker to maintain cash, margin, option or other accounts for Voleo USA and its customers. The Clearing Agreement was further amended on January 17, 2017, April 30, 2017 and July 31, 2017.

Pursuant to the Clearing Agreement, as amended, Voleo USA is required to maintain a minimum balance in the Deposit Account (note 6), summarized as follows:

Effective date	Required balance of Deposit Account
April 28, 2016	US\$50,000
July 31, 2017	US\$35,000
January 1, 2018 ⁽¹⁾	US\$100,000
July 1, 2018 ⁽¹⁾	US\$175,000
January 1, 2019 ⁽¹⁾	US\$250,000

⁽¹⁾ Apex has agreed to defer the increase in the Deposit Account and is in the process of formalizing a further amendment to the Clearing Agreement.

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14. COMMITMENTS *(continued)*

Apex Clearing Agreement *(continued)*

In addition, the Clearing Agreement, as amended, requires minimum monthly clearance payments, summarized as follows:

Period	Minimum monthly clearance payment
From April 1, 2017 to June 30, 2017	US\$5,000 (paid)
From July 1, 2017 to December 31, 2017	US\$Nil
From January 1, 2018 to March 31, 2018 ⁽¹⁾	US\$15,000
From April 1, 2018 and thereafter ⁽¹⁾	US\$10,000

⁽¹⁾ Apex has agreed to waive the minimum monthly clearance payment and is in the process of formalizing a further amendment to the Clearing Agreement.

Kewpac Consulting Agreement

On December 1, 2017, the Company entered into a consulting agreement with Kewpac Investments Inc. (“Kewpac”) to perform the functions of a corporate advisor (the “Kewpac Consulting Agreement”).

Pursuant to the Kewpac Consulting Agreement, the Company shall issue up to a total of 1,000,000 common shares of the Company to Kewpac in installments upon the achievement of certain milestones relating to commercialization of business-to-business (“B2B”) activities.

During the year ended December 31, 2018, the Company issued 400,000 common shares valued at \$140,000 pursuant to the Kewpac Consulting Agreement and related milestones (note 9).

As of December 31, 2018, there remains 600,000 common shares of the Company issuable to Kewpac upon the achievement of certain milestones defined in the Kewpac Consulting Agreement. As of December 31, 2018, management estimates that a significant portion of the shares will vest and has recorded consulting expense of \$59,904 based on the share price as at December 31, 2018 of \$0.35 per share.

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15. PROPOSED TRANSACTION

Prior to the closing of the Transaction (note 1), Logan will complete a consolidation of its issued and outstanding common shares on the basis of 1 post-consolidation common share for every 5 pre-consolidation common shares. The exchange ratio for the Transaction shall be 1 issued and outstanding common share of the Company converts to 1.7 common shares of Logan. All outstanding warrants and stock options of the Company will automatically become exercisable for or shall be exchanged for shares of Logan, subject to all necessary adjustments to reflect the terms of the Transaction and subject to the terms governing the warrants and options. Prior to the closing of the Transaction, the Company may complete bridge financing (notes 9 and 17).

The Transaction is subject to the following key conditions:

- Logan will complete a private placement (the “Concurrent Financing”) for gross proceeds of \$4,000,000. On April 30, 2019, Logan completed the Concurrent Financing and sold 16,234,000 subscription receipts at a price of \$0.25 per subscription receipt for gross proceeds of \$4,058,500.
- Logan will settle amounts payable to King & Bay West of \$560,554 by the issuance of 2,242,200 common shares (post-consolidation).
- The Transaction will have received approval of the Exchange and all necessary corporate and shareholder approvals.

As of December 31, 2018, the balance of prepaid expenses includes deferred transaction costs in the amount of \$22,750 (2017 - \$Nil) with respect to the Transaction (note 4).

16. EXPENSES BY NATURE

	December 31, 2018	December 31, 2017
Clearing and execution	\$ 5,383	\$ 21,860
Computer and software	62,314	20,859
Consulting	784,260	384,510
Depreciation (note 7)	981	245
Marketing	138,510	50,244
Office and miscellaneous	15,966	9,520
Professional fees	149,831	79,558
Regulatory and compliance	22,772	23,522
Rent	27,294	17,203
Salaries and benefits	154,388	6,657
Share-based payments (note 8)	-	101,913
Travel and meals	25,824	35,270
	\$ 1,387,523	\$ 751,361

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17. SUBSEQUENT EVENTS

The following reportable events occurred subsequent to the year ended December 31, 2018:

- On April 24, 2019, the Company issued 620,941 units for proceeds of \$263,900. Each unit consists of one common share and one-half warrant. Each whole warrant is exercisable at a price of \$0.68 for a period of 2 years from the closing of the Concurrent Financing (note 15). In connection with the private placement, the Company issued 310,470 warrants to subscribers and 13,400 warrants for finder's fees.
- The Company executed an agreement with Fidelity Information Services, LLC ("FIS") which provides FIS the right to purchase up to US\$75,000 in common shares to be paid in 3 equal installments of US\$25,000 based on certain milestones to be completed by the Company by July 19, 2019. In relation to this agreement, the Company has received US\$25,000 from FIS for the first installment; however no common shares have been issued by the Company.