



**VOLEO TRADING SYSTEMS INC.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

**VOLEO TRADING SYSTEMS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>AS AT SEPTEMBER 30, 2021</b>	<b>AS AT DECEMBER 31, 2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 1,033,778	\$ 1,546,917
Amounts receivable (note 3)	5,647	17,201
Prepaid expenses (note 4)	128,382	144,449
Investment (note 5)	1	1
	<u>1,167,808</u>	<u>1,708,568</u>
<b>Deposits</b> (note 6)	<b>5,752</b>	<b>7,255</b>
<b>Equipment</b> (note 7)	<b>2,562</b>	<b>5,029</b>
	<u>\$ 1,176,122</u>	<u>\$ 1,720,852</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 8 and 10)	\$ 122,046	\$ 116,707
<b>Long-term liabilities</b>		
Promissory note payable (note 9)	50,000	50,000
	<u>172,046</u>	<u>166,707</u>
<b>Equity</b>		
Share capital (note 11)	13,460,352	13,460,352
Other equity reserves	2,330,369	2,038,080
Accumulated other comprehensive income	825	615
Deficit	(14,787,470)	(13,944,902)
	<u>1,004,076</u>	<u>1,554,145</u>
	<u>\$ 1,176,122</u>	<u>\$ 1,720,852</u>

Nature of operations and going concern (note 1)  
Commitments (note 15)  
Subsequent events (note 16)

Approved on November 26, 2021 on behalf of the Board of Directors:

"Mark Lotz" Director  
Mark Lotz

"Kenneth Brophy" Director  
Kenneth Brophy

**VOLEO TRADING SYSTEMS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>THREE MONTH PERIODS ENDED SEPTEMBER 30,</b>		<b>NINE MONTH PERIODS ENDED SEPTEMBER 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>REVENUE</b>	\$ -	\$ 10	\$ -	\$ 10,071
<b>EXPENSES</b> (note 12)				
General and administration	182,486	2,337	683,686	484,879
Research and development	3,966	(27,574)	8,475	224,936
Marketing and investor relations	41,901	(18,628)	153,263	210,575
Clearing and execution	5	38,755	1,482	123,382
Broker dealer compliance	-	7,183	-	56,270
Commercialization and licensing	-	830	-	(11,218)
	<b>(228,358)</b>	<b>(2,903)</b>	<b>(846,906)</b>	<b>(1,088,824)</b>
<b>OTHER ITEMS</b>				
Interest income	1,357	601	4,797	6,442
Gain on forgiveness of payables	-	-	625	-
Foreign exchange gain (loss)	(39)	77	(1,084)	(4,338)
	<b>1,318</b>	<b>678</b>	<b>4,338</b>	<b>2,104</b>
<b>LOSS FOR THE PERIOD</b>	<b>(227,040)</b>	<b>(2,215)</b>	<b>(842,568)</b>	<b>(1,076,649)</b>
Cumulative translation adjustment	129	6,616	210	(5,826)
<b>COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ (226,911)</b>	<b>\$ 4,401</b>	<b>\$ (842,358)</b>	<b>\$ (1,082,475)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.10)</b>
<b>Weighted average number of common shares outstanding</b>	<b>31,030,626</b>	<b>11,716,641</b>	<b>31,030,626</b>	<b>11,259,850</b>

**VOLEO TRADING SYSTEMS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>NINE MONTH PERIOD ENDED SEPTEMBER 30, 2021</b>	<b>NINE MONTH PERIOD ENDED SEPTEMBER 30, 2020</b>
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (842,568)	\$ (1,076,649)
Items not affecting cash:		
Share-based payments (recoveries)	292,289	(58,878)
Depreciation	2,467	3,176
Net change in non-cash working capital items:		
Amounts receivable	11,554	23,447
Prepaid expenses	16,067	142,320
Deposits		192,549
Accounts payable and accrued liabilities	5,339	(111,026)
Cash used in operating activities	<u>(513,385)</u>	<u>(885,061)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	-	(490)
Cash used in investing activities	<u>-</u>	<u>(490)</u>
Net change in cash during the period	<b>(513,385)</b>	<b>(885,551)</b>
Effect of foreign exchange on cash	246	6,200
Cash, beginning of the period	<u>1,546,917</u>	<u>1,449,109</u>
Cash, end of the period	<u>\$ 1,033,778</u>	<u>\$ 569,758</u>
<b>Cash received for</b>		
Interest	<u>\$ 4,797</u>	<u>\$ 5,872</u>

**VOLEO TRADING SYSTEMS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**(Unaudited)**  
**(Expressed in Canadian dollars)**

	<b>NUMBER OF COMMON SHARES</b>	<b>SHARE CAPITAL</b>	<b>OTHER EQUITY RESERVES</b>	<b>DEFICIT</b>	<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>	<b>TOTAL</b>
<b>Balance, December 31, 2019</b>	<b>10,765,387</b>	<b>12,148,811</b>	<b>1,439,422</b>	<b>(12,381,717)</b>	<b>71</b>	<b>1,206,587</b>
Exercise of restricted share units (note 11)	20,000	4,800	(4,800)	-	-	-
Shares issued upon settlement of obligation (note 11)	39,504	98,527	-	-	-	98,527
Fractional rounding due to share consolidation (note 11)	(41)	-	-	-	-	-
Shares issued upon settlement of debt (note 11)	892,780	223,195	-	-	-	223,195
Share-based payments (notes 11)	-	-	(58,878)	-	-	(58,878)
Loss for the period	-	-	-	(1,076,649)	-	(1,076,649)
Translation adjustment	-	-	-	-	5,755	5,755
<b>Balance, September 30, 2020</b>	<b>11,717,630</b>	<b>12,475,333</b>	<b>1,375,744</b>	<b>(13,458,366)</b>	<b>5,826</b>	<b>398,537</b>
Private placement	19,312,996	1,351,910	-	-	-	1,351,910
Warrants reserve	-	(374,009)	374,009	-	-	-
Exercise of restricted share units (note 11)	-	-	-	-	-	-
Shares issued upon settlement of obligation (note 11)	-	7,118	-	-	-	7,118
Share-based payments (note 11)	-	-	288,327	-	-	288,327
Loss for the year	-	-	-	(486,536)	-	(486,536)
Translation adjustment	-	-	-	-	(5,211)	(5,211)
<b>Balance, December 31, 2020</b>	<b>31,030,626</b>	<b>13,460,352</b>	<b>2,038,080</b>	<b>(13,944,902)</b>	<b>615</b>	<b>1,554,145</b>
Share-based payment (note 11)	-	-	292,289	-	-	292,289
Loss for the period	-	-	-	(842,568)	-	(842,568)
Translation adjustment	-	-	-	-	210	210
<b>Balance, September 30, 2021</b>	<b>31,030,626</b>	<b>13,460,352</b>	<b>2,330,369</b>	<b>(14,787,470)</b>	<b>825</b>	<b>1,004,076</b>

**VOLEO TRADING SYSTEMS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**  
**(Expressed in Canadian dollars)**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Voleo Trading Systems Inc. (the “Company” or “Voleo”) is a mobile-focused fintech company and has developed mobile applications and software platforms to meet the investment expectations of investors, including social trading applications for stocks. 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”), was a Financial Industry Regulatory Authority (“FINRA”) member operating as a broker-dealer and registered with the U.S. Securities and Exchange Commission (the “SEC”). Voleo USA’s FINRA registration was terminated on September 6, 2020.

The Company’s common shares trade on the TSX Venture Exchange (“TSX-V” or the “Exchange”) under the symbol “TRAD”; and its registered and records office is #2400 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3P3.

These condensed consolidated interim 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 September 30, 2021, the Company had a working capital of \$1,045,761 and an accumulated deficit of \$14,787,470. At present, the Company has no material operating income or cash flows. The Company intends to finance its future requirements through equity issuances. There is no assurance that the Company will be able to obtain additional financing or obtain it on favorable terms. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. These condensed consolidated interim 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.

The global impact of the COVID-19 has resulted in a great deal of volatility and uncertainty in the financial markets, global economy and related supply chains. The financial markets have recovered from their lows although the negative impact from COVID-19 on the Company’s financial results remains high and cannot be estimated at this time.

**2. BASIS OF PRESENTATION**

**Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Boards (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements.

These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2020.

**VOLEO TRADING SYSTEMS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**2. BASIS OF PRESENTATION** *(continued)*

**Basis of consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Voleo, Inc., Voleo USA and Cryptoleo, Inc. 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, warrants and compensation options, which requires the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments.
- (c) The fair value of restricted share units which requires the estimation of the number of awards likely to vest on grant and at each reporting date up to the vesting date.
- (d) The fair value of the investment for which a quoted market price in an active market is not available.
- (e) 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.
- (f) 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.

**Significant accounting policies**

The accounting policies followed by the Company are set out in Note 2 to the audited consolidated financial statements of Voleo Trading Systems Inc. for the year ended December 31, 2020 and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

**VOLEO TRADING SYSTEMS INC.**  
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**3. AMOUNTS RECEIVABLE**

	SEPTEMBER 30, 2021	DECEMBER 31, 2020
Sales tax receivable	\$ 5,636	\$ 17,138
Other receivables	11	63
	<b>\$ 5,647</b>	<b>\$ 17,201</b>

**4. PREPAID EXPENSES**

	SEPTEMBER 30, 2021	DECEMBER 31, 2020
Marketing and investor relations	\$ 25,000	\$ 25,000
Insurance	9,850	12,098
Regulatory	4,083	950
Broker dealer compliance	13	13
Other	89,436	106,388
	<b>\$ 128,382</b>	<b>\$ 144,449</b>

**5. INVESTMENT**

The Company holds 2,000,000 common shares of K2 Resources Inc. ("K2") with a fair value of \$1. As at September 30, 2021, the carrying value of the investment continues to be assessed at \$1 based on the current market conditions and liquidity risk.

**6. DEPOSITS**

	SEPTEMBER 30, 2021	DECEMBER 31, 2020
Clearing deposit	\$ 5,647	\$ 7,255
Corporate credit card deposit	-	-
	<b>\$ 5,647</b>	<b>\$ 7,255</b>

**Clearing 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.

During the nine month period ended September 30, 2021, the Company recorded an unrealized foreign exchange loss of \$36 in connection with the Deposit Account.

**VOLEO TRADING SYSTEMS INC.**  
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**7. EQUIPMENT**

	<b>Equipment</b>	
<b>Cost</b>		
Balance, December 31, 2019	\$	12,322
Additions		490
Balance, December 31, 2020		12,812
Additions		-
Balance, September 30, 2021	\$	12,812
<b>Accumulated Depreciation</b>		
Balance, December 31, 2019	\$	3,785
Depreciation		3,998
Balance, December 31, 2020		7,783
Depreciation		2,467
Balance, September 30, 2021	\$	10,250
<b>Net book value</b>		
As at December 31, 2020	\$	5,029
As at September 30, 2021	\$	2,562

For the nine month period ended September 30, 2021, depreciation expenses of \$2,345 (2020 - \$3,081) and \$122 (2020 - \$95) were included in research and development and general and administrative expenses, respectively, in the condensed consolidated interim statements of loss and comprehensive loss.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>SEPTEMBER 30, 2021</b>	<b>DECEMBER 31, 2020</b>
Trade payables	\$ 122,046	\$ 96,707
Accrued liabilities	-	20,000
	<b>\$ 122,046</b>	<b>\$ 116,707</b>

**9. PROMISSORY NOTE PAYABLE**

During the fiscal year ended December 31, 2020, the Company entered into a promissory note agreement with Hybrid Financial Inc. for \$50,000, which is non-interest bearing. Any unpaid principal is due October 8, 2022, the maturity date. Any payments made during the year shall be applied to the reduction of principal. As at September 30, 2021, the balance remains unpaid.

**VOLEO TRADING SYSTEMS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**10. RELATED PARTY BALANCES AND TRANSACTIONS**

Related parties and related party transactions impacting the condensed consolidated interim 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 consist of executive and non-executive members of the Company's Board of Directors, and corporate officers, including the Company's Chief Executive Officer, Chief Compliance Officer and Chief Financial Officer.

Remuneration attributed to key management personnel for the nine month periods ended September 30, 2021 and 2020 can be summarized as follows:

	<b>SEPTEMBER 30, 2021</b>	<b>SEPTEMBER 30, 2020</b>
Short-term benefits	\$ 55,231	\$ 151,449
Share-based payments (note 11)	194,506	20,991
	<b>\$ 249,737</b>	<b>\$ 172,440</b>

**Other related party transactions**

Transactions entered into with related parties, other than key management personnel and not otherwise disclosed, for the nine month periods ended September 30, 2021 and 2020 include the following:

	<b>SEPTEMBER 30, 2021</b>	<b>SEPTEMBER 30, 2020</b>
King & Bay West Management Corp.	\$ 188,773	\$ 208,639
MJM Consulting Corp.	90,000	-
	<b>\$ 278,773</b>	<b>\$ 208,639</b>

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

**Other related party transactions** *(continued)*

King & Bay West Management Corp. ("King & Bay"): King & Bay is an entity that is controlled by the Chairman and Interim CEO of the Company and employs or retains officers and certain consultants of the Company. King & Bay provides administrative, regulatory, legal, finance, and corporate development services to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the Company. The amounts shown in the table above represent amounts paid and accrued to King & Bay for the services of King & Bay personnel and for overhead and third-party costs incurred by King & Bay on behalf of the Company.

MJM Consulting Corp. ("MJM"): MJM is an entity that is controlled by the Chairman and Interim CEO of the Company. MJM provides consulting and business development services to the Company. These services are provided to the Company on an as-needed basis and are billed based on a monthly amount to the Company. The amounts shown in the table above represent amounts paid and accrued to MJM for the recovery of overhead and third-party costs incurred by MJM on behalf of the Company.

**Related party balances**

Accounts payable and accrued liabilities

As at September 30, 2021, accounts payable and accrued liabilities include the following amounts due to related parties:

- Momentum Ventures Inc., a company controlled by the CCO of the Company - \$nil (December 31, 2020 - \$2,625) with respect to consulting services.
- Glen Wilson, a former CEO of the Company - \$nil (December 31, 2020 - \$2,500) with respect to consulting services.
- King & Bay West - \$10,757 (December 31, 2020 - \$20,427) with respect to the services described above.

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

**11. SHARE CAPITAL**

**Authorized**

Unlimited number of common shares without par value.

**Common share issuances**

On May 12, 2020, the Company consolidated its common shares. The consolidation was approved by the directors of the Company on May 4, 2020 and was subsequently approved by the TSX Venture Exchange ("TSX-V"). The consolidation resulted in each shareholder of the Company receiving one post-consolidation share for every ten pre-consolidation common shares held. The number of shares, warrants and options and earnings per share data presented in these condensed consolidated interim financial statements have all been adjusted retroactively to reflect the impact of this share consolidation.

**Stock options**

The Company grants stock options to directors, officers, employees and consultants as compensation for services, pursuant to its Incentive Share Option Plan (the "Stock Option 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. Options have a maximum expiry period of ten years from the grant date. The number of options that may be issued under the Stock Option Plan is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant.

Pursuant to the Stock Option Plan, options granted in respect of investor relations activities are subject to vesting restrictions, such that one-quarter of the options vest three months from the grant date and in each subsequent three-month period thereafter such that the entire option will have vested twelve months after the award date. Vesting restrictions may also be applied to certain other option grants, at the discretion of the directors.

On January 18, 2021, 100,000 stock options were granted with an exercise price of \$0.32 and an expiration date of January 18, 2026, which vest evenly every 6 months over 24 months.

On March 12, 2021, 1,425,000 stock options were granted with an exercise price of \$0.25 and an expiration date of March 12, 2026, which vest evenly every 4 months over 12 months.

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**11. SHARE CAPITAL** *(continued)*

**Stock options** *(continued)*

The following table summarizes stock option activity for the nine month period ended September 30, 2021 and the year ended December 31, 2020:

	Number of stock options	Weighted average exercise price
<b>Outstanding, December 31, 2019</b>	<b>439,800</b>	<b>\$2.80</b>
Issued	1,140,000	\$0.10
Expired	(20,400)	\$1.80
Cancelled	(385,900)	\$2.92
Forfeited	(33,500)	\$2.50
<b>Outstanding, December 31, 2020</b>	<b>1,140,000</b>	<b>\$0.10</b>
Issued	1,525,000	\$0.25
<b>Outstanding, September 30, 2021</b>	<b>2,665,000</b>	<b>\$0.19</b>

As at September 30, 2021, the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining life (years)	Expiry date
840,000	840,000	\$0.075	3.79	July 15, 2025
100,000	50,000	\$0.075	3.80	July 16, 2025
200,000	50,000	\$0.20	4.10	November 3, 2025
100,000	25,000	\$0.32	4.30	January 18, 2026
1,425,000	475,000	\$0.25	4.45	March 12, 2026
<b>2,665,000</b>	<b>1,440,000</b>			

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 nine month period ended September 30, 2021, the Company recognized share-based payment expense (recovery) with respect to stock options of \$292,289 (2020 - \$(59,678)).

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**11. SHARE CAPITAL** *(continued)*

**Stock options** *(continued)*

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 nine month periods ended September 30, 2021 and 2020:

	<b>SEPTEMBER 30, 2021</b>	<b>SEPTEMBER 30, 2020</b>
Risk-free interest rate	0.72%	1.44%
Expected life (years)	5	5
Annualized volatility	125%	100%
Dividend yield	-%	-%

The weighted average grant date fair value of the options granted during the nine month period ended September 30, 2021 was \$0.19 per option (2020 - \$nil).

**Warrants**

During the nine month period ended September 30, 2021, 871,756 warrants have expired.

The following table summarizes warrant activity for the nine month period September 30, 2021 and the year ended December 31, 2020:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
<b>Outstanding, December 31, 2019</b>	<b>956,513</b>	<b>\$3.70</b>
Issued	19,312,996	\$0.20
<b>Outstanding, December 31, 2020</b>	<b>20,269,509</b>	<b>\$0.37</b>
Expired	(871,756)	\$4.00
<b>Outstanding, September 30, 2021</b>	<b>19,397,753</b>	<b>\$0.20</b>

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**11. SHARE CAPITAL** *(continued)*

**Warrants** *(continued)*

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of compensatory warrants. 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 nine month periods ended September 30, 2021 and 2020:

	<b>SEPTEMBER 30, 2021</b>	<b>SEPTEMBER 30, 2020</b>
Risk-free interest rate	-	1.56%
Expected life (years)	-	2
Annualized volatility	-	100%
Dividend yield	-	-%

As at September 30, 2021, the following warrants were outstanding:

<b>Outstanding</b>	<b>Exercise Price</b>	<b>Remaining life (years)</b>	<b>Expiry date</b>
84,757	\$1.20	3.40	February 20, 2025
19,312,996	\$0.20	1.06	October 21, 2022
<b>19,397,753</b>			

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**11. SHARE CAPITAL** *(continued)*

**Compensation options**

During the nine month period ended September 30, 2021, 129,872 compensation options have expired.

The following table summarizes compensation option activity for the nine month period ended September 30, 2021 and the year ended December 31, 2020:

	<b>Number of compensation options</b>	<b>Weighted average exercise price</b>
<b>Outstanding, December 31, 2020</b>	<b>129,872</b>	<b>\$2.50</b>
Expired	(129,872)	\$2.50
<b>Outstanding, September 30, 2021</b>	<b>-</b>	<b>-</b>

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of compensation options. 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 nine month periods ended September 30, 2021 and 2020:

	<b>SEPTEMBER 30, 2021</b>	<b>SEPTEMBER 30, 2020</b>
Risk-free interest rate	-	1.56%
Expected life (years)	-	2
Annualized volatility	-	100%
Dividend yield	-	-%

**11. SHARE CAPITAL** *(continued)*

**Restricted share units**

The Company grants restricted share units (“RSUs”) to directors, officers, employees and consultants as compensation for services, pursuant to its RSU Plan (the “RSU Plan”). One restricted share unit has the same value as a common share of the Company. The number of RSUs awarded and underlying vesting conditions are determined by the Board of Directors in its discretion. At the election of the Board of Directors, upon each vesting date, participants receive (a) the issuance of common shares from treasury equal to the number of RSUs vesting, or (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a common share, calculated as the closing price of the common shares on the TSXV for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

On the grant date of RSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the RSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the choice of settlement in shares has no commercial substance, or the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement. If no such obligation exists, RSUs are accounted for as equity settled share-based payments and are valued using the share price on grant date. Upon settlement:

- (a) If the Company elects to settle in cash, the cash payment is accounted for as the repurchase of an equity interest (i.e. as a deduction from equity), except as noted in (c) below.
- (b) If the Company elects to settle by issuing shares, the value of RSUs initially recognized in reserves is reclassified to share capital, except as noted in (c) below.
- (c) If the Company elects the settlement alternative with the higher fair value, as at the date of settlement, the Company recognizes an additional expense for the excess value given (i.e. the difference between the cash paid and the fair value of shares that would otherwise have been issued, or the difference between the fair value of the shares and the amount of cash that would otherwise have been paid, whichever is applicable).

During the nine month period ended September 30, 2021, there were no activities with respect to RSUs.

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**12. EXPENSES BY NATURE**

	<b>THREE MONTH PERIODS ENDED SEPTEMBER 30,</b>		<b>NINE MONTH PERIODS ENDED SEPTEMBER 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Share-based payments (note 11)	\$ <b>84,503</b>	\$ (140,775)	\$ <b>292,289</b>	\$ (58,877)
Consulting	<b>65,314</b>	26,946	<b>231,830</b>	370,281
Professional fees	<b>40,908</b>	69,172	<b>213,328</b>	237,112
Salaries and benefits	<b>14,888</b>	(30,904)	<b>20,030</b>	75,851
Regulatory and compliance	<b>3,893</b>	16,197	<b>31,391</b>	75,586
Marketing and public relations	<b>1,550</b>	3,584	<b>22,285</b>	150,294
Computer and software	<b>9,609</b>	13,550	<b>19,363</b>	52,711
Office and miscellaneous	<b>1,828</b>	5,310	<b>5,793</b>	38,921
Depreciation (note 7)	<b>823</b>	-	<b>2,467</b>	3,176
Travel	<b>5,037</b>	1,068	<b>6,648</b>	2,063
Clearing and execution	<b>5</b>	38,755	<b>1,482</b>	123,382
Rent	-	-	-	18,324
	<b>\$ 228,358</b>	<b>\$ 2,903</b>	<b>\$ 846,906</b>	<b>\$ 1,088,824</b>

**13. 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 nine month period ended September 30, 2021

**14. FINANCIAL INSTRUMENTS**

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, amounts receivable and deposits. The risk arises from the non-performance by counterparties of contractual financial obligations. To minimize credit risk, the Company places cash and deposits with high credit quality financial institutions and brokerage firms. The Company's amounts receivable consists mainly of input tax credits due from the Government of Canada and as such are exposed to insignificant credit risk.

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

**14. FINANCIAL INSTRUMENTS** *(continued)*

**Liquidity risk**

The Company's approach to managing liquidity risk is to have sufficient funds to meet liabilities when they become due.

**Market risk**

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

Interest rate risk

As at September 30, 2021, the Company is not exposed to interest rate risk.

Foreign currency risk

Voleo USA incurred 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 primarily denominated in Canadian dollars but any future equity raised may be in either US dollars or Canadian dollars. As at September 30, 2021, approximately 3.1% 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 \$3,761 and the comprehensive loss of the Company by approximately \$575.

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 exposed to price risk with respect to its investment in K2.

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company's ability to raise capital to fund operations is subject to risks associated with equity prices.

**15. COMMITMENTS**

On April 20, 2021, the Company entered into the Option Agreement. Pursuant to the terms of the Option Agreement, the Vendor has granted the Company the option to acquire a 100% direct interest in the Property through the direct acquisition of the Property by making the following cash and Purchaser share payments, and incurring the following minimum work commitments (all dollar amounts are United States dollars):

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**15. COMMITMENTS** *(continued)*

<b>Year</b>	<b>Cash Consideration</b>	<b>Share Consideration</b>	<b>Minimum Work Commitment</b>
Closing	US\$10,000	80,000	-
1 <sup>st</sup> Anniversary	US\$30,000	100,000	US\$175,000
2 <sup>nd</sup> Anniversary	US\$100,000	200,000	US\$500,000
3 <sup>rd</sup> Anniversary	US\$100,000	300,000	US\$1,000,000
4 <sup>th</sup> Anniversary	US\$100,000	300,000	US\$1,500,000
5 <sup>th</sup> Anniversary	US\$500,000	-	-
<b>TOTAL</b>	<b>US\$840,000</b>	<b>980,000</b>	<b>US\$3,175,000</b>

The Company shall also grant the Vendor a 1.5% Net Smelter Royalty over the Property. One third of the Net Smelter Royalty may be repurchased by the Company for a cash payment of \$500,000. The Company shall have a right of first refusal on the sale of the Net Smelter Royalty by the Vendor.

In conjunction with the COB Transaction, the Company intends to undertake a non-brokered private placement to raise a minimum of \$1,000,000 and a maximum of \$3,000,000 through the issuance of units (the "Units") at a price of \$0.25 per Unit (the "Offering"). Each Unit will consist of one common share and one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable to acquire one common share for a period of 24 months at an exercise price equal to \$0.40.

Completion of the COB Transaction is subject to a number of conditions, including but not limited to, TSX Venture Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the COB Transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the COB Transaction will be completed as proposed or at all.

**16. SUBSEQUENT EVENTS**

The following reportable events occurred subsequent to the nine month period ended September 30, 2021:

- On October 28, 2021, 50,000 options have been canceled, due to an employee departing the Company.