Canada Computational Unlimited Corp.
(formely Capricorn Business Acquisitions Inc.)

(Unaudited - Prepared by Management)

Condensed Interim Consolidated Financial Statements
For the nine-month period ended September 30, 2021 and 2020

(expressed in Canadian dollars)

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These unaudited condensed interim consolidated financial statements have not been subject to a review by our independent auditors

Canada Computational Unlimited Corp.

(formely Capricorn Business Acquisitions Inc.)

Condensed Interim Consolidated Statements of Financial Position

as at September 30, 2021
(In Canadian dollars)
(Unaudited)

		September 30, 2021	December 31, 2020
Assets		**$**	**$**
Current assets			
Cash		1 711 437	294 025
Trades and other receivables	(Note 6)	382 012	95 405
Digital assets	(Note 7)	2 816 827	653 882
Deposits and prepaid expenses	(Note 5)	228 305	63 296
		5 138 581	1 106 608
Non-current assets			
Property, plant, equipment and intangible	(Note 8)	2 917 788	1 596 015
Intangible assets	(Note 9)	70 221	-
Right-of-use assets	(Note 10)	814 912	245 635
Deposits and prepaid expenses	(Note 5)	171 862	73 614
Total assets		**9 113 364**	**3 021 872**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	(Note 11)	1 164 953	165 880
Deferred revenue and customer deposits		294 028	
Current portion of borrowings	(Note 12)	40 396	1 706 978
Current portion of lease liability	(Note 10)	140 635	57 100
		1 640 012	1 929 958
Non-current liabilities			
Borrowings	(Note 12)	57 612	137 322
Deferred tax liabilities		321 755	-
Lease liability	(Note 8)	733 047	223 801
Total liabilities		2 752 426	2 291 081
Shareholders' equity			
Share capital	(Note 13)	7 840 800	2 843 269
Contributed surplus		1 484 266	355 354
Digital currency revaluation reserve		381 991	157 894
Accumulated surplus (deficit)		(3 346 119)	(2 625 726)
Total Shareholders' equity		6 360 938	730 791
Total liabilities and shareholders' equity		**9 113 364**	**3 021 872**

The accompanying notes are an integral part of these condensed interim consolidated financial sta

Canada Computational Unlimited Corp.

(formely Capricorn Business Acquisitions Inc.)

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the three months ended September 30, 2021 and 2020 and nine months ended September 30, 2021 and 2020
(In Canadian dollars)
(Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
Revenue					
Digital assets mined	(Note 7)	1 086 763	313 324	3 163 575	1 265 625
Hosting		685 645	36 507	835 808	108 800
Other		74 669	9 000	92 669	27 000
		1 847 077	358 831	4 092 052	1 401 425
Cost of revenue					
Site operating costs		710 395	295 450	1 372 218	840 865
Salary and benefits		54 380	21 821	99 698	58 391
Share based payments	(Note 13)	5 259	4 456	11 676	13 368
Depreciation	(Note 8, 9 and 10)	34 412	192 918	359 732	623 360
		804 446	514 645	1 843 324	1 535 984
Gross profit (loss)		**1 042 631**	**(155 814)**	**2 248 728**	**(134 559)**
Gain on use of digital assets	(Note 7)	242 969	40 958	281 376	114 030
Revaluation of digital assets	(Note 7)				
		1 285 600	(114 856)	2 530 104	(20 529)
Expenses					
Consultation fees	(Note 13)	125 381	52 055	610 388	188 560
Legal fees		36 400	13 611	58 121	51 217
Professional fees		35 155	12 035	351 402	34 505
Other		144 786	11 472	176 917	23 822
Custody fees		6 340		6 340	
Listing expenses		372 896		673 843	
Loss on disposal of property, plant and equipment					41 649
Insurance reimbursement					(24 039)
		720 958	89 173	1 877 011	315 714
Operating income (loss)		**564 642**	**(204 029)**	**653 093**	**(336 243)**
Other charges (income)					
Foreign exchange loss (gain)		1 000	3 555	(3 107)	10 667
Unrealized foreign exchange loss (gain)		35 925		35 925	
Finance expense	(Note 12)	186 360	216 920	525 218	502 026
Finance income		(153)		(493)	(453)
Listing costs expended	(Note 4)	1 048 725		1 048 725	
Finder's fees	(Note 4)	520 600		520 600	
Loss (gain) on loans payable	(Note 12)	(545 216)		(635 597)	
Other				2 102	
		1 247 241	220 475	1 493 373	512 240
Loss before income taxes		**(682 599)**	**(424 504)**	**(840 280)**	**(848 483)**
Deferred income taxes		321 755		321 755	
Net loss		**(1 004 354)**	**(424 504)**	**(1 162 035)**	**(848 483)**
Other comprehensive income					
Items that will not be reclassified to net income					
Revaluation of digital asset, net of tax	(Note 7)	119 884	18 437	441 642	41 016
Total comprehensive loss		**(884 470)**	**(406 067)**	**(720 393)**	**(807 467)**
Basic net loss per share		(0,02)	(0,01)	(0,02)	(0,01)
Diluted net loss per share		(0,01)	(0,01)	(0,02)	(0,01)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Canada Computational Unlimited Corp.

(formely Capricorn Business Acquisitions Inc.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended September 30, 2021 and 2020
(In Canadian dollars)
(Unaudited)

	Common shares	Share capital	Contributed surplus	Digital asset revaluation reserve	Accumulated surplus (Deficit)	Total
		$	$	$	$	$
Balance as at December 31, 2020	**2 500 189**	**2 843 269**	**355 354**	**157 894**	**(2 625 726)**	**730 791**
Net profit (loss) for the year					(720 393)	(720 393)
Issuance of shares and warrants from the concurrent private placement (Note 4)	8 639 804	3 474 124	845 778			4 319 902
Common shares and options deemed to be issued on reverse takeover (Note 4)	51 524 230	1 002 807	52 738			1 055 545
Issuance of shares for finder's fees	1 041 200	520 600				520 600
Revaluation of digital assets, net of tax				224 097		224 097
Stock-based compensation expense (Note 13)			11 676			11 676
Issuance of warrants (Note 13)			218 720			218 720
Balance as at September 30, 2021	**63 705 423**	**7 840 800**	**1 484 266**	**381 991**	**(3 346 119)**	**6 360 938**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Balance as at June 30, 2021	**2 500 189**	**2 843 269**	**580 491**	**285 892**	**(2 771 360)**	**938 292**
Net profit (loss) for the year					(574 759)	(574 759)
Issuance of shares and warrants from the concurrent private placement (Note 4)	8 639 804	3 474 124	845 778			4 319 902
Common shares and options deemed to be issued on reverse takeover (Note 4)	51 524 230	1 002 807	52 738			1 055 545
Issuance of shares for finder's fees	1 041 200	520 600				520 600
Revaluation of digital assets, net of tax				96 099		96 099
Stock-based compensation expense (Note 13)			5 259			5 259
Issuance of warrants (Note 13)						-
Balance as at September 30, 2021	**63 705 423**	**7 840 800**	**1 484 266**	**381 991**	**(3 346 119)**	**6 360 938**

Canada Computational Unlimited Corp.

(formely Capricorn Business Acquisitions Inc.)

Condensed Interim Consolidated Statement of Cash Flows

For the nine months ended September 30, 2021 and 2020
(In Canadian dollars)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	$	$	$	$
Operating activities				
Net loss	(1 004 354)	(424 504)	(1 162 035)	(848 483)
Change in non-cash operating items:				
Digital asset acquired	(1 086 763)	(313 324)	(3 163 575)	(1 265 625)
Digital asset disposed	660 226	310 096	1 719 067	1 006 770
Digital assets used to purchase property, plant and equipment	(3 208)	(39 500)	-	(39 500)
Comissions paid on digital asset traded	10 734	-	10 734	-
Depreciation	34 412	192 918	359 732	623 360
Loss on use of digital assets	(242 969)	(40 958)	(281 376)	(114 030)
Revaluation of digital assets	-	-	-	-
Loss on disposal of property, plant and equipment	-	-	-	41 649
Deferred income taxes	443 140	-	443 140	-
Share based payments	5 259	4 456	11 676	13 368
Consultation fees	218 720	-	218 720	-
Subsidy on Emergency Loan for Canadian Busineeses	-	(10 000)	-	(10 000)
Foreign exchange loss (gain)	1 000	3 555	(3 107)	10 667
Unrealized foreign exchange loss (gain)	35 925	-	35 925	-
Gain on loans payable reimbursement	(545 216)	-	(635 597)	-
Interest expense on loans payables	118 015	167 670	452 080	472 341
Interest on note payable	560	852	1 900	1 152
Interest on lease liabilities	25 419	9 433	53 555	28 533
Finder's fees	520 600	-	520 600	-
Listing costs expended	1 048 725	-	1 048 725	-
	240 225	(139 306)	(369 836)	(79 798)
Change in non-cash working capital				
Trades and other receivables	4 086 225	55 993	(287 078)	166 501
Digital assets	(1 282 504)	-	(1 282 504)	-
Accounts payable and accrued liablities	(4 612 622)	(14 923)	833 162	26 040
Deferred revenue and customer deposits	(17 064)	-	294 028	-
Total change in non-cash operating working capital	(1 825 965)	41 070	(442 392)	192 541
Net cash provided by (used in) operating activities	(1 585 740)	(98 236)	(812 228)	112 743
Investing activities				
Purchase of property, plant and equipement	(1 070 253)	-	(1 693 092)	(145 037)
Develoment of intangible assets	(70 221)	-	(70 221)	-
Disposal of property, plant and equipement	-	-	-	51 520
Deposits and prepaid expenses	(204 754)	21 498	(263 257)	20 964
Net cash provided by (used in) investing activities	(1 345 228)	21 498	(2 026 570)	(72 553)

Canada Computational Unlimited Corp.

(formely Capricorn Business Acquisitions Inc.)

Condensed Interim Consolidated Statement of Cash Flows

For the nine months ended September 30, 2021 and 2020
(In Canadian dollars)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Financing activities				
Emergency Loan for Canadian Busineeses	-	40 000	-	40 000
Repayment of note payable	(9 911)	(9 618)	(29 513)	(12 809)
Issuance of shares and warrants	4 319 902	-	4 319 902	-
Cash acquired through the reverse takeover	29 111	-	29 111	-
Lease payments	(34 740)	(13 995)	(63 290)	(41 985)
Net cash provided by (used in) financing activities	4 304 362	16 387	4 256 210	(14 794)
Increase (decreased) in cash	1 373 394	(60 351)	1 417 412	25 396
Cash, beginning of period	338 043	194 961	294 025	109 214
Cash, end of period	**1 711 437**	**134 610**	**1 711 437**	**134 610**

Supplemental information

Significant non-cash transactions included

- All transactions related to the loans payable in 2021 and 2020 are in bitcoin (Note 10)

Interest paid	$25 979	$10 285	$55 455	$29 685

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1 INCORPORATION, BUSINESS ACTIVITIES AND GOING CONCERN

Canada Computational Unlimited Corp. (the "Company" or "SATO") was incorporated under the Ontario Business Corporations Act on May 7, 2008 as Capricorn Business Acquisitions Inc. ("Capricorn") The Company's head office is located at 66 Wellington Street West, Suite 5300, Toronto, Ontario M5K 1E6 and its only place of business is located at 289 Dugas Joliette, Québec, Canada, J6E 4H1.

Canada Computational Unlimited Inc. was incorporated under the Business Corporations Act of Québec on November 16, 2017. The Company's head office and only place of business is located at 289 Dugas Joliette, Québec, Canada, J6E 4H1.

On May 25, 2021, Capricorn entered into an arrangement agreement with Canada Computational Unlimited Inc. ("CCU"), whereby Capricorn agreed to acquire all of the issued and oustanding shares of CCU (the "Transaction"). The Transaction closed on September 7, 2021 in exchange of the issuance of common shares of Capricorn (see Note 4).

Following the closing of the Transaction, Capricorn changed its name to Canada Computational Unlimited Corp.

The Company carried on the business of Canada Computational Unlimited Inc. as a Tier 2 technology issuer under the symbol "SATO". CCU.ai shares were listed for trading on the TSX Venture Exchange ("TSXV") September 16, 2021. The Company is in the business of utilizing specialized equipment to solve complex computational problems to validate transactions on the bitcoin blockchain and other. The Company receives digital assets in return for successful service.

CCU is primarily engaged in the cryptocurrency mining industry, a highly volatile market with significant inherent risk. A significant decline in the market prices of cryptocurrencies, an increase in the difficulty of cryptocurrency mining, changes in the regulatory environment and adverse changes in other inherent risks can significantly and negatively impact the Company's operations. In addition, adverse changes to the factors mentioned above may impact the carrying value of the Company's property, plant and equipment resulting in impairment charges being recorded. All the assets of the Company's are located in Joliette, Quebec, Canada and have one operating segment being the cryptocurrency mining.

COVID-19
In March 2020, the World Health Organization declared COVID-19 a pandemic. The global response to the pandemic is constantly evolving, including various measures implemented at the global, national, provincial and local levers. The major impacts that COVID-19 are expected to have on CCU include potential increases in cryptocurrency price volatility and delays in receiving future orders of mining hardware and electrical components for future expansion.

CCU has been operating, and is expected to continue operating, throughout the pandemic.

Going Concern
As at September 30, 2021, the Company had an accumulated deficit of $3,346,119 and $2,625,726 as at December 31, 2020.
Net loss for the period ended September 30, 2021 was $1,162,035, net loss for the period ended September 30, 2020 was $848,483 and $959,130 for the year ended December 31, 2020.
The Company had a working capital deficiency of $823,350 as at December 31, 2020 and positive working capital of $3,498,569 as at September 30, 2021.
These conditions raise material uncertainties which may cast significant doubt as to whether the Company will be able to continue as a going concern.

These financial statements have been prepared on a going concern basis, which presumes realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern, namely its ability to generate sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period, is dependent upon its ability to arrange future financing, which is largely dependent upon prevailing capital market conditions, continued support of its shareholder base and achieving positive cash flows from operations. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

2 STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These consolidated interim financial statements have been prepared in a condensed format as of September 30, 2021 and for the three and nine months then ended ("interim consolidated statements"). The interim condensed consolidated financial statements should be read in conjunction with the Company's annual financial statements as of December 31, 2020, and for the year then ended and accompanying notes ("annual consolidated financial statements").

Statement of compliance
These financial statements, including comparatives, have been prepared in accordance with IAS 34 Interim financial reporting.

These financial statements of the Company were reviewed, approved and authorized for issue by the Board of Directors on November 17, 2021.

Basis of presentation
These financial statements have been prepared on a accrual basis and under the historical cost basis, except for some financial instruments that have been measured at fair value.

Basis of consolidation
The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, Canada Computational Unlimited Inc.

A subsidiary is an entity which the Company has control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is acquired and de-consolidated from the date that control ceases.

The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All iintercompany transactions and balances are eliminated upon consolidation.

3 SIGNIFICANT ACCOUNTING POLICIES

Functional currency
These financial statements are presented in Canadian dollars, which is also the functionnal currency of the Company.

Foreign currency translation
Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at exchange rates in effect at the reporting date. Non-monetary assets and liabilities are translated at historical exchange rates at the respective transaction dates. Revenue and expenses are translated at the rate of exchange at each transaction date. Gains or losses on translation are included in foreign exchange.

Revenue recognition
Digital asset mining
The Company recognizes revenue from the transaction verification services within digital asset networks, commonly termed "cryptocurrency mining". As consideration for these services, the Company receives digital assets from each specific cryptocurrency mining pool in which it participates. Revenue is measured based on the fair value of the digital assets received. The fair value is determined using the spot price of the digital assets on the date of receipt. Digital assets are considered earned on the completion and addition of a block to the blockchain, at which time the economic benefit is received and can be reliably measured.

Hosting
The Company has also entered into hosting contracts where it operates third parties own mining equipment within its facilities. Revenue from hosting contracts is measured as the Company meets its obligation of operating the hosted equipment as per contract arrangment.

Digital assets
Digital assets consist of Bitcoin and other cryptocurrencies. Digital assets meet the definition of intangible assets in IAS 38 Intangible Assets as they are identifiable non-monetary assets without physical substance. They are initially recorded at cost and the revaluation method is used to measure the digital assets subsequently. Where digital assets are recognized as revenue, the fair value of the digital asset received is considered to be the cost of the digital assets. Under the revaluation method, increases in fair value are recorded in other comprehensive income, while decreases are recorded in profit or loss. The Company revalues its digital assets at the end of each quarter. There is no recycling of gains from other comprehensive income to profit or loss. However, to the extent that an increase in fair value reverses a previous decrease in fair value that has been recorded in profit or loss, that increase is recorded in profit or loss. Decreases in fair value that reverse gains previously recorded in other comprehensive income are recorded in other comprehensive income. Gains and losses on digital assets sold between revaluation dates are included in profit or loss.

Digital assets are measured at fair value using the quoted price on Cryptocompare. Cryptocompare is a pricing aggregator, as the principal market or most advantageous market is not always known. The Company believes any price difference amongst the principal market and an aggregated price to be immaterial. Management considers this fair value to be a Level 2 input under IFRS 13 Fair Value Measurement fair value hierarchy as the price on this source represents an average of quoted prices on multiple digital asset exchanges.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-monetary transactions
Where the Company is settling a liability for the purchase of goods and services where the price was established in a fiat currency, the difference between the liability settled and the fair value of the digital assets transferred is recognized as a gain or loss on settlement. Otherwise, the transaction is measured based on the fair value of the digital assets transferred is recognized as a gain or loss on settlement. Otherwise, the transaction is measured based on the fair value of the digital assets exchanged. Any difference between the fair value of the digital assets exchanged and the carrying amount of the digital assets is recognized in profit and loss.

Property, plant and equipment
Details as to the Company's policies for property, plant and equipment are as follows:

Asset	Amortization method	Amortization % or period
Miners	Declining	55%
Computer equipment	Declining	55%
Industrial equipment	Straight-line	10 years
Small equipment	Declining	20%
Leasehold improvement	Straight-line	10 years

Property, plant and equipment are recorded at cost less accumulated depreciation. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced parts is derecognized. All other repairs and maintenance are charged to profit or loss during the fiscal year in which they are incurred.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Intangible assets
Details as to the Company's policies for intangible assets are as follows:

Asset	Amortization method	Amortization % or period
Applications	Straight-line	2 years

Costs that are directly attributable to a project’s development phase are recognised as intangible assets, provided they meet all of the following recognition requirements:
- The development costs can be measured reliably
- The project is technically and commercially feasible
- The Group intends to and has sufficient resources to complete the project
- The Group has the ability to use or sell the software, and
- The software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets
The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

Leases and right-of-use assets
All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of twelve months or loss.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at cost, which includes the initial amount of the lease liability, reduced for any lease incentives received, and increased for:
- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term or recorded in profit or loss if the right-of-use asset is reduced to zero.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based compensation payments

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The Company has granted share-based payment awards which vest in installments. Such arrangements are accounted for separately. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Compensation expense is recognized over the vesting period, with a corresponding increase in contributed surplus. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current year. No adjustment is made to any expense recognized in previous years if share options ultimately exercised are different to that estimated on vesting. Any consideration paid by plan participants on the exercise of share options is credited to share capital and the corresponding share-based compensation that was previously included in contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Provisions
Provisions are recognized when the Company has a legal or constructive obligation, as a result of past events, for which it is possible that an outflow of economic benefits will result, and that outflow can be reliably measured.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Share capital and equity
Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. When warrants are issued in connection with shares, the Company uses the residual method for allocating fair value to the shares and then to warrants.

Contributed surplus include the value of warrants and stock options. When warrants and stock options are exercised, the related compensation cost and value are transferred to share capital.

Deficit include all current and prior year losses.

Digital asset revaluation reserve includes gains and losses from the revaluation of digital assets, net of tax.

Basic and Diluted Income (Loss) per Share
Basic income (loss) per share is calculated by dividing net income (loss) for the year attributable to equity owners of the Company by the weighted average number of common shares outstanding during the year (Note 13).

Diluted income (loss) per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included for options and similar instruments is computed assuming that if all dilutive securities had been exercised at the later of the beginning of the year and the date of issuance, the proceeds would be used to purchase common shares at the average market value during the year.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company
At the date of authorization of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

Critical accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that 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:

Income from digital assets mining
The Company recognizes income from digital assets mining from the provision of transaction verification services within digital asset networks, commonly termed cryptocurrency mining. As consideration for these services, the Company receives digital asset from each specific network in which it participates ("coins"). Income from digital asset mining is measured based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt. The coins are recorded on the statement of financial position, as digital assets, at their fair value less costs to sell and re-measured at each reporting date. Revaluation gains or losses, as well as gains or losses on the sale of coins for traditional (fiat) currencies are included in profit or loss.

There is currently no specific definitive guidance in IFRS or alternative accounting frameworks for the accounting for the mining and strategic selling of digital assets and management has exercised significant judgement in determining appropriate accounting treatment for the recognition of income from digital assets mining for mining of digital assets. Management has examined various factors surrounding the substance of the Company's operations, including the stage of completion being the completion and addition of a block to a blockchain and the reliability of the measurement of the digital assets received.

Going concern
The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in Note 1.

Leases - Incremental borrowing rate
Judgment is applied when determining the incremental borrowing rate used to measure the lease liability of each lease contract, including an estimate of the asset-specific security impact. The incremental borrowing rate should reflect the interest rate the Company would pay to borrow at a similar term and with similar security.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes
Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized inprofit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized inequity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted orsubstantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts ofassets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The followingtemporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted orsubstantively enacted at the financial position reporting date.

Useful lives of property, plant and equipment
Depreciation of data miners and equipment are an estimate of its expected life. In order to determine the useful life of computing equipment, assumptions are required about a range of computing industry market and economic factors, including required hashrates, technological changes, availability of hardware and other inputs, and production costs.

Digital asset valuation
Digital assets consist of cryptocurrency denominated assets (Note 6) and are included in current assets. Digital assets are carried at their fair value determined by the spot rate less costs to sell. The digital asset market is still a new market and is highly volatile; historical prices are not necessarily indicative of future value; a significant change in the market prices for digital assets would have a significant impact on the Company’s earnings and financial position.

4 REVERSE TAKEOVER

On May 25, 2021, Capricorn, CCU and 9442-4868 Québec Inc. entered into a definitive agreement pursuant to which Capricorn aggreed to acquire indirectly all of the issued and outstanding CCU shares in exchange of for Capricorn shares ("the Transaction") in accordance with the exchange ratio of 10.607 to 1.
The Transaction closed on September 7, 2021. Upon completion of the Transaction, all Capricorn shares issued were exchanged for 60,164,034 CCU shares. The current business of CCU will be the business of the resulting issuer. CCU and 9442-4868 Québec Inc. amalgamated and became a wholly-owned subsidiary of Capricorn.

In accordance with IFRS 3, Business Combinations, the substance of the acquisition is a reverse takeover ("RTO") as the shareholders of CCU owned a substantial majority of the shares of Capricorn. The acquisition of Capricorn does not constitute a business combination as Capricorn does not not meet the definition of a business under that standard. As a result, the acquisition is accounted for in accordance with IFRS 2 Share-based Payment, with CCU identified as the acquirer and the equity consideration being measures at fair value. Accordingly, the resulting balances and transactions for the prior to September 7, 2021 are those of CCU.

Prior the closing, the issued and outstanding common shares of Capricorn have been consolidated at a ratio of 2.7 to 1.

Pursuant to the business combination transaction, the net assets acquired from the acquisition are to be recorded at their estimated fair values in accordance with IFRS 3.
The allocation of the purchase consideration is as follows :

Consideration	**$**
2,500,189 shares helded by former shareholders of Capricorn	1 002 807
250,017 shares options for previous option holders	52 738
	1 055 545

Net assets acquired	**$**
Cash	29 111
Prepaid expenses	471
Accounts payable and accrued payables	(22 762)
Listing costs expended	1 048 725
	1 055 545

The fair value of the Capricorn shares issued and outstanding prior of the RTO has been determined based on the most recent value of the CCU shares which is the concurrent private placement completed by CCU on June 18, 2021 for a gross proceeds of $4,319,902, at a post exchange of $0.50 per subscription receipt. The subscription proceeds were held in escrow and released upon closing the Transaction. Each subscription receipt have been exchanged for one unit. Each unit comprises of one CCU common share and one-half CCU warrant. Each whole warrant shall be exercisable at a price of $0.75 (post-split) and is subject to early expiry in accordance with their terms. As the Company uses the residual method for allocating fair value to the shares and then to warrants, an amount of $0.20 per share was allocated to warrants for a total amount of $845,778.

4 REVERSE TAKEOVER (Continued)

Capricorn has 250,017 post-consolidation options and no warrant or other dilutables outstanding. Each of which has been exhanged for those of the resulting issuer at the same tems. The options were valued at $52,738 using the Black Scholes option pricing using the following assumptions:

Stock price	$0.40
Expected volatility (1)	106.1%
Risk free interes rate	0.39%
Expected life	1 year
Exercice price	$0.27

(1) The volatility was determined by using public comparable companies over a period corresponding to the expected life of warrants and options.

Each CCU warrant, compensation warrant and option oustanding immediately prior the closing date has been transferred by such holder to Capricorn. Each of which has been exchanged for those of the resulting issuer at the same terms giving consideration to the exchange ratio.

1,041,200 finders fees shares have been issued on the closing transaction at a deemed price of $0.50. These fees are considered as a transaction cost. The Company also expensed other transaction costs for a total amount of $673,843.

5 DEPOSITS AND PREPAID EXPENSES

	September 30, 2021	December 31, 2020
Current	**$**	**$**
Prepaid electricity (i)	121 416	18 248
Deposit for miners		41 320
Other prepaid expenses	106 889	3 728
Total current deposits and prepaids expenses	**228 305**	**63 296**
Non-current		
Deposits related to electricity supply under Electricity Supply Agreement (ii)	156 862	58 614
Other deposits	15 000	15 000
Total non-current deposits and prepaids expenses	**171 862**	**73 614**

(i) Electricity deposits for facility in Joliette, Québec.
(ii) Security deposit for future electricity usage.

6 TRADES AND OTHER RECEIVABLES

	September 30, 2021	December 31, 2020
	$	**$**
Taxes receivables	380 133	93 763
Other receivables	1 879	1 642
Total trades and other receivable	**382 012**	**95 405**

7 DIGITAL ASSETS

The Company's holdings of digital assets consist of the following:

	Nine months ended September 30, 2021					September 30, 2020	
	$	Number of Bitcoin	$	Number of Ether	Total $	$	Number of Bitcoin
Balance, beginning of year	653 882	18			653 882	251 332	27
Digital assets mined	3 032 671	55	130 904	48	3 163 575	1 219 921	102
Bitcoin purchased	1 282 504	24			1 282 504	-	-
Bitcoin received for services					-	45 704	4
Bitcoin used for debt payments (1)	(1 533 263)	(28)			(1 533 263)	(291 764)	(25)
Bitcoin traded for cash (1)	(1 719 067)	(32)			(1 719 067)	(871 351)	(72)
Digital assets used to purchase property, plant and equipment (1)			(3 208)	(2)	(3 208)	(39 500)	(3)
Bitcoin received through sale of plant and equipment (1)					-	46 955	4
Bitcoin paid for services (1)					-	(135 419)	(11)
Gain (loss) on use of digital assets (1)	281 289		87		281 376	114 030	-
Revaluation of digital assets (2)	707 876		(16 848)		691 028	47 448	-
Balance, end of period (3)	**2 705 892**	**37**	**110 935**	**46**	**2 816 827**	**387 356**	**27**

	Three months ended September 30, 2021					September 30, 2020	
	$	Number of Bitcoin	$	Number of Ether	Total $	$	Number of Bitcoin
Balance, beginning of year	957 660	22	98 910	35	1 056 570	422 892	34
Digital assets mined	1 048 997	20	37 766	11	1 086 763	313 324	22
Bitcoin purchased	1 282 504	24			1 282 504	-	-
Bitcoin used for debt payments (1)	(856 853)	(16)			(856 853)	(58 659)	(4)
Bitcoin traded for cash (1)	(660 226)	(13)			(660 226)	(310 096)	(22)
Bitcoin used to purchase property, plant and equipment (1)					-	(39 500)	(3)
Gain (loss) on use of digital assets (1)	242 969				242 969	40 958	-
Revaluation of digital assets (2)	690 841		(25 741)		665 100	18 437	-
Balance, end of period (3)	**2 705 892**	**37**	**110 935**	**46**	**2 816 827**	**387 356**	**27**

7 DIGITAL ASSETS (Continued)

(1): During the year, the Company exchanged its bitcoin for cash, debt payments, purchases of property, plant and equipment and services.

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Sales	4 465 146	408 255	6 200 865	1 338 947
Cost	4 222 177	367 297	5 919 489	1 224 003
Gain (loss) on use of digital asset	242 969	40 958	281 376	114 944

(2): Digital asset held are revalued each reporting period based on the fair market value on the reporting date.

	September 30, 2021		September 30, 2020	
	Bitcoin	**Ether**	**Bitcoin**	**Ether**
$ CAN	$ 74 183	$ 2 826	$ 14 372	NA
$ US	$ 59 122	$ 2 276	$ 10 779	NA

For the period of nine months ended September 30, 2021, the revaluation resulting in a gain of $1,128,618 which was recorded to other comprehensive income net of taxes of $274,856.

For the period of nine months ended September 30, 2020, the revaluation resulting in a gain of $70,946. Of this gain $70,946 was recorded as a gain in the net income, which offset the revaluation losses recorded in prior years.

For the period of three months ended September 30, 2021. The revaluation resulting in a gain of $664,632, wich was offset by the cumulative other comprehensive income.

For the period of three months ended September 30, 2020. The revaluation resulting in a gain of $18,437 which was recorded as a loss in the net income.

(3): Digital assets held by the Company are available for use.
The Compagny uses the services of Fireblocks Inc. (“Fireblocks”) as custodian. Fireblocks is a custodian for cryptocurrency and insures assets in storage, transfer, and E&O.

8 PROPERTY, PLANT AND EQUIPMENT

	Miners	Computer Equipment	Industrial Equipment	Leasehold improvement	Small equipment	In construction - Industrial Equipment	In construction - Miners	Total
	$	$	$	$	$	$	$	$
Cost								
Balance - December 31, 2019	2 173 373	228 127	383 902	142 940	28 614	458 772		**3 415 728**
Additions	69 348	2 877		26 975		115 185		**214 385**
Disposals	(433 975)							**(433 975)**
Balance - December 31, 2020	**1 808 746**	**231 004**	**383 902**	**169 915**	**28 614**	**573 957**	**-**	**3 196 138**
Balance - December 31, 2020	1 808 746	231 004	383 902	169 915	28 614	573 957	-	**3 196 138**
Additions	145 447	7 246	1 141 477	40 083	4 553	1 525 245	23 553	**2 887 604**
Transfert (i)						(1 176 664)	(17 847)	**(1 194 511)**
Balance - September 30, 2021	**1 954 193**	**238 250**	**1 525 379**	**209 998**	**33 167**	**922 538**	**5 706**	**4 889 231**
Accumulated depreciation								
Balance - December 31, 2019	788 806	142 047	79 194	16 203	3 716	-	-	**1 029 966**
Depreciation	731 978	48 135	105 752	15 643	4 979			**906 487**
Disposals	(336 330)							**(336 330)**
Balance - December 31, 2020	**1 184 454**	**190 182**	**184 946**	**31 846**	**8 695**	**-**	**-**	**1 600 123**
Balance - December 31, 2020	1 184 454	190 182	184 946	31 846	8 695	-	-	**1 600 123**
Depreciation	312 598	19 276	23 441	13 746	2 259			**371 320**
Balance - September 30, 2021	**1 497 052**	**209 458**	**208 387**	**45 592**	**10 954**	**-**	**-**	**1 971 443**
Net carrying value	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
As at December 31, 2019	**1 384 567**	**86 080**	**304 708**	**126 737**	**24 898**	**458 772**	**-**	**2 385 762**
As at December 31, 2020	**624 292**	**40 822**	**198 956**	**138 069**	**19 919**	**573 957**	**-**	**1 596 015**
As at September 30, 2021	**457 141**	**28 792**	**1 316 992**	**164 406**	**22 213**	**922 538**	**5 706**	**2 917 788**

(i) As at September 30, 2021, industrial equipments that were being constructed were transfered into the appropriate asset categories.
From the original amount of $1,176,664, an amount of $1,141,447 was transferred to industrial equipment and $35,187 into leasehold improvement.

9 INTANGIBLE ASSETS

	Applications	In development - Software	Total
	$	$	$
Cost			
Balance - December 31, 2020	-	-	-
Additions	56 177	14 044	**70 221**
Balance - September 30, 2021	**56 177**	**14 044**	**70 221**
Accumulated depreciation			
Balance - December 31, 2020	-	-	-
Depreciation			
Balance - September 30, 2021	-	-	-
Net carrying value	$	$	$
As at December 31, 2020	-	-	-
As at September 30, 2021	**56 177**	**14 044**	**70 221**

10 LEASES

The Company leases facilities. The lease has an initial term of 5 years and a renewal option after that date. The lease do not specify any restrictions and the leased property cannot be used to secure loans.

The right-of-use assets and lease liabilities recognised by the Company relates to facilities.

Right-of-use assets	September 30, 2021	December 31, 2020
	$	$
Balance as at January 1st	245 635	279 921
Addition	603 689	-
Depreciation	(34 412)	(34 286)
Balance	**814 912**	**245 635**

Lease liability	September 30, 2021	December 31, 2020
	$	$
Balance as at January 1st	280 901	299 070
Addition	613 274	-
Lease payments	(20 493)	(18 169)
Balance	**873 682**	**280 901**
Current portion	140 635	57 100
Non-current portion	733 047	223 801

Contractual undiscounted payments under lease liabilities are as follows:	September 30, 2021	December 31, 2020
	$	$
Within one year	140 635	57 100
1 to 2 years	142 892	58 242
2 to 5 years	292 704	181 807
After 5 years	894 212	138 278
Total	**1 470 443**	**435 427**

Other amounts recognised in profit or loss	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Interest expense on lease liabilities	25 419	9 433	53 355	28 533
Cash flow amounts				
Total cash outflow for lease	34 740	13 995	63 290	41 985
Interest paid on lease liabilities	25 419	9 433	53 355	28 533

11 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2021	December 31, 2020
	$	$
Accounts payable (i)	911 365	59 368
Accrued liabilities	239 128	102 084
Salaries payable	14 460	4 428
Total	**1 164 953**	**165 880**

(i) Including Industrial equipment bought for $776,081 and not received as at September 30, 2021.

12 BORROWINGS

	September 30, 2021	December 31, 2020
	$	$
Loans payables (i)	-	1 716 779
Note payable, 3% payable in monthly instalments of $3,490, maturing in May 2023	68 008	97 521
Emergency Loan for Canadian Businees es (ii)	30 000	30 000
Total long-term debt	**98 008**	**1 844 300**
Current portion of long-term debt	40 396	1 706 978
Long-term portion of long term debt	57 612	137 322

(i) Loans provided in Bitcoin to purchase miners. The loans are repayable in Bitcoin according to pre-established phase determined in the loan agreement.

These loans was fully repaid to shareholders as at September 30, 2021.

All transactions related to the loans payables are in bitcoin. The fair value of the loans payable as at September 30, 2021 is nil ($965,293 as at December 31, 2020).

As at September 30, 2021, a gain of $183,517 was recognised following the repayment of the loans payables.

(ii) On April 16, 2020, the Company received $40,000 under the Emergency Loan for Canadian Business Program. The interest is for 3 years and is guaranted by the Canadian government. Up to 25% of the loan ($10,000) will be forgiven if repaid in full by December 31, 2022. If the Company has not repaid the loan before December 31, 2022, the loan will be automatically renewed until December 31, 2025 at an interest rate of 5%, and the Company will not be able to benefit from the grant of $10,000.
Since $10,000 of the government assistance is forgivable if the Company repays $30,000 by December 31, 2022, the amount was recognized in earnings at the time the government assistance was granted.

	Three months ended September 30,		Nine months ended September 30,	
Finance expense	**2021**	**2020**	**2021**	**2020**
Interest expense on loans payables	118 015	167 670	452 080	472 341
Interest expense on lease liabilities	25 419	9 433	53 555	28 533
Interest on note payable	560	852	1 900	1 152
	143 994	177 955	507 535	502 026

13 EQUITY

Share Capital

Authorized
An unlimited number of common shares, voting, particiapting and without par value

Effective July 9, 2021, the Company consolidated its issued and outstanmding common shares on the basis of one post-consolidation share for 2.7 pre-consolidation shares. Unless otherwise stated, all share and per share amounts have been restated retrospectively to reflect this share consolidation.

Issued

	Number of common shares	Amount
		$
Balance, December 31, 2020	**2 500 189**	**2 843 269**
Issuance of shares and warrants from the concurrent private placement (Note 4)	8 639 804	3 474 124
Common shares and options deemed to be issued on reverse takeover (Note 4)	51 524 230	1 002 807
Issuance of shares for finder's fees	1 041 200	520 600
Balance, September 30, 2021	**63 705 423**	**7 840 800**

Warrants
The warrant activity is as follows:

	Number of warrants	Weighted average exercise price
		$
Balance, December 31, 2020 (i)	**1 803 190**	**0,01**
Issued (ii)	318 210	0,01
Issued (iii)	623 936	0,37
Balance, September 30, 2021	**2 745 336**	**0,09**

13 EQUITY (Continued)

Warrants (Continued)

(i) The Company issued a warrant certificate prior the Transaction (Note 4) to purchase, at any time until January 1, 2023, 1,803,237 common shares at a unit price of $0.01.

The fair value of the certificate warrant was $328,094. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	$0.19
Expected life	41 months
Risk-free interest rate	1.39%
Expected volatility (1)	95%
Dividend	0
Exercise price at the date of grant	$0.01

(ii) The Company issued a warrant certificate prior the Transaction (Note 4) to purchase, at any time until January 4, 2025, 318,218 common shares at a unit price of $0.01.

The fair value of the certificate warrant was $58,169. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	$0.19
Expected life	41 months
Risk-free interest rate	1.39%
Expected volatility (1)	95%
Dividend	0
Exercise price at the date of grant	$0.01

(iii) The Company issued a warrant certificate prior the Transaction (Note 4) to purchase, at any time until May 20, 2025, 623,936 common shares at a unit price of $0.37.

The fair value of the certificate warrant was $160,551. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	$0.19
Expected life	41 months
Risk-free interest rate	1.39%
Expected volatility (1)	95%
Dividend	0
Exercise price at the date of grant	$0.37

13 EQUITY (Continued)

Stock options

The Company maintains a stock option plan (the "Plan") whereby certain officers, directors and consultants may be granted stock options for common shares of the Company. Options are granted at the fair market value of the shares on the day granted, and vest over various terms. Stock-based compensation is recognized over the vesting period. The Board may from time to time, in its discretion, grant to officers, directors and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five years from the date of grant.

The following table reflects the continuity of stock options for the periods presented below in accordance with the exchange ratio of 10.607 of "the Transaction":

	Number of stock options	Weighted average exercise price
		$
Balance, December 31, 2020 (i)	**424 280**	**0,19**
Issued (ii)	106 070	0,37
Balance, September 30, 2021	**530 350**	**0,23**

(i) Prior of the Transaction, the Company granted an option to acquire 424,280 common shares at a price of $0.19 to an employee. Each option shall become vested and exercisable in equal installments at the end of every subsequent month commencing on the first anniversary of the grant date, such that 100% of the option will be vested on the fifth anniversary of the grant date and are exercisable over a period of 10 years following the grant date.

The fair value of the option was $47,885. The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	$0.19
Expected life	5 to 10 years
Risk-free interest rate	1.15% to 1.23%
Expected volatility (1)	100%
Dividend	0
Exercise price at the date of grant	$0.19

(ii) Prior the Transaction, the Company granted an option to acquire 106,070 common shares at a price of $0.37 to an employee. Each option shall become vested and exercisable in equal installments at the end of every subsequent month commencing on the first anniversary of the grant date, such that 100% of the option will be vested on the fifth anniversary of the grant date and are exercisable over a period of 10 years following the grant date.

The fair value of the option was $47,885 ($1.29 per option). The fair value was calculated using Black & Scholes option pricing model and the following weighted average assumptions:

Share price at the date of the grant	$0.37
Expected life	5 to 10 years
Risk-free interest rate	1.15% to 1.23%
Expected volatility (1)	100%
Dividend	0
Exercise price at the date of grant	$0.37

(1) The volatility was determined by using public comparable companies over a period corresponding to expected life of the share warrants and options.

13 EQUITY (Continued)

During the years ended December 31, 2020 and September 30, 2021, the Company recorded an expense of respectively $17,823 and $11,676.

14 RELATED PARTY TRANSACTIONS

The Company entered into consulting agreements with two of the directors and two officers. The consulting fees charged by the directors totaled approximatively $369,259 as at September 30, 2021, $233,335 for the year ended December 31, 2020 and $248,510 for the year ended December 31, 2019.

All transactions related to the loans payables are in bitcoin and are payable to shareholders. These loans were fully repaid as at September 30, 2021 (Note 11).

15 CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consist of equity comprised of issued share capital, reserves and borrowings. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirments and the Company's overall strategy with respect to capital risk managements remains unchanged from the year ended December 31, 2020.

16 SUBSEQUENT EVENTS

On October 27, 2021, the Company issues 3,085,001 common shares upon exercise of warrants for proceeds of $2,313,751.

On November 16, 2021, the Company bought miners equipement for $765,575.