



**ROADMAN INVESTMENT CORP.**

MANAGEMENT DISCUSSION AND ANALYSIS

For the period ended September 30, 2022 and 2021

## **INTRODUCTION**

This Management's Discussion and Analysis ("MD&A") of Roadman Investments Corp. ("Roadman" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended September 30, 2022 and audited consolidated financial statements for the year ended June 30, 2022 and notes thereto. The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), interpretations of the IFRS Interpretations Committee ("IFRIC"), and International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

All financial information in this MD&A has been prepared in accordance with IFRS. All dollar amounts are quoted in Canadian dollars, the reporting currency of the Company, unless specifically noted.

This management's discussion and analysis were approved and authorized for issue by the Board of Directors on November 29, 2022.

Where we say "we", "us", "our", the "Company" or "Roadman", we mean Roadman Investments Corp.

Additional information on the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) or our website <https://roadmancorp.com/>.

## **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

Statements in this MD&A – Quarterly Highlights other than purely historical information, including statements relating to the Company's future plans and objectives or expected results, constitute forward-looking statements. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- The price of commodities
- The lack of control over operations of the Company's investment operations;
- The fluctuations in the price of the Company's shares and the share price of the Company's investments;
- The Company's ongoing investment strategy;
- The successful mine development of each of the Company's investment partners; and,
- The Company's ability to generate cash flow.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

## **COMPANY OVERVIEW**

Roadman Investments Corp. (the "Company") was incorporated on September 12, 2007 under the laws of British Columbia, Canada. On April 5, 2019, the Company changed its name from Urban Select Capital Corporation to Roadman Investments Corp. The Company maintains its head office and its registered office at Suite 800 – 1199 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3T5. The common shares of the Company are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "LITT".

The Company is focused on investing growth capital in private and public companies in a broad range of sectors including fintech, education, natural resources, healthcare, and consumer retail services.

## **OUTLOOK**

During the three months ended September 30, 2022, the financial markets are volatile as a result of the ongoing COVID 19 global pandemic. The global recovery is dependent on the progress of the COVID 19 vaccine, European debt and BREXIT situation, stable growth in China and emerging markets, and political stability in the Middle East. The Company will continue with its disciplined approach of seeking investments that fit its investment criteria and provide the potential for superior risk-adjusted returns. The Company continues to assist its investee companies in developing and executing their strategies and enhancing shareholder value.

The Company will also look to leverage its core expertise into the development of its mergers and acquisitions and financial advisory business. This could include direct equity and debt investments from our balance sheet or financing raised from financial or strategic investors, advisory work and analytical efforts on financial modeling and business valuation.

Finally, the Company will continue to work on exploring financial advisory, capital markets and investment opportunities with its partners to build a long-term and sustainable business strategy for the Company. This strategy could include the organization of formal investment conferences designed to bring private and public companies seeking direct investment together with international investors actively searching for optimal investment opportunities that we may have proprietary access to. In this capacity we may act as a financial advisor to a transaction as well as a principal investor or co-investor depending on the nature, scale and future prospects of a potential transaction.

## **OPERATIONAL HIGHLIGHTS**

During the three months ended December 31, 2018, the Company incorporated 1137182 B.C. Ltd. ("1137182"), 1137188 B.C. Ltd. ("1137188"), 1151555 B.C. Ltd. ("1151555"), 1151556 B.C. Ltd. ("1151556"), 1151559 B.C. Ltd. ("1151559"), 1151560 B.C. Ltd. ("1151560") and 1151561 B.C. Ltd. ("1151561"), for the purpose of completion a plan of arrangement and therefore each of these entities would become a reporting issuer in British Columbia and Alberta. On December 13, 2017, Company entered into an amended and restated plan of arrangement (the "A&R Arrangement") with respect to 1137188 whereby one of the creditors of the Company would receive 1137188 in settlement of all amounts owing to this creditor. The plan of arrangement with respect to 1137182 and the A&R Arrangement with respect to 1137188 was approved by the Supreme Court of British Columbia on December 18, 2017. On January 11, 2018, the Company entered into a mutual release agreement with the creditor whereby the Company and the creditor mutually agree to terminate the loan agreement and discharge all actions and claims related to the loan, and the creditor received 1137188 during the year ended June 30, 2018. The plan of arrangement with respect to 1151555, 1151556, 1151559, 1151560, and 1151561 was approved by the Supreme Court of British Columbia on March 19, 2018. 1151559 changed its name to Pinmo Blockchain Corp. and then IBank Digital Asset Corporation during the year ended June 30, 2018, and then changed the name back to 1151559 during the year ended June 30, 2020. 1151560 changed its name to Genesis Fintech Inc. ("Genesis") During the three months ended June 30, 2020.

### ***For the three months ended September 30, 2022:***

On August 3, 2022, the Company issued 9,000,000 common shares with a fair value of \$315,000 to third-party vendors pursuant to a share exchange agreement in consideration for 271,740 common shares of a publicly held company trading on the Canadian Securities Exchange. In accordance with the transaction, the Company issued 180,000 common shares as administrative fees with a fair value of \$6,300 recognized as share issuance costs.

### ***For the year ended June 30, 2022:***

The Company issued 151,200 common shares for services rendered to the Company with a fair value of \$75,600.

The Company issued 1,145,384 common shares for services rendered to the Company with a fair value of \$45,815.

## SUMMARY OF QUARTERLY RESULTS

A summary of results for the five quarters since incorporation are as follows:

### FOR THE THREE MONTHS ENDED

	September 30, 2022 \$	June 30, 2022 \$	March 31, 2022 \$	December 31, 2021 \$
Revenues	-	-	-	-
Net (loss) for the period	(472,488)	(922,730)	(487,350)	(531,648)
Per Share – Basic and diluted	(0.02)	(0.04)	(0.03)	(0.00)

	September 30, 2021 \$	June 30, 2021 \$	March 31, 2021 \$	December 31, 2021 \$
Revenues	-	-	-	-
Net (loss) for the period	(720,375)	(681,927)	(1,616,996)	(86,455)
Per Share – Basic and diluted	(0.04)	(0.01)	(0.01)	(0.00)

## RESULTS OF OPERATIONS

For the three months ended September 30, 2022:

During the three months ended September 30, 2022, the Company recorded a net loss of \$472,488 as compared to a net loss of \$720,375 for the comparable period ended September 30, 2021. Total expenses for the three months amounted to \$237,164 as compared to \$398,980 for the comparable period ended September 30, 2021. The decrease in overall expenditures can be attributed to the following:

- Advertising and marketing decreased to \$Nil compared to \$129,017 in the prior period mainly due to more marketing and marketing efforts made by the Company to increase its business and market awareness in the previous year.
- Consulting fees of \$157,350 compared to \$23,250 include mainly fees to the Company's corporate consultants. During the three months ended, the Company's worked with consultants to transition the Company into a new strategic direction. More corporate activity during the current period was the reason for the expenses in consulting fees.
- Filing and transfer agent fees of \$15,347 compared to \$7,834 for filing applications in relation to transaction share for debts of the Company's common shares.
- Professional fees of \$60,000 compared to \$96,600 due to from corporate activities and operational activities of the Company. See related party section.
- Corporate development of \$Nil compared to \$89,750 relates to expenses incurred for public relations and conferences, virtual conferences organized by the Company and marketing and consulting services. The Company worked to become well versed in the block chain space.
- License fees of \$Nil compared to \$37,800 due to the company paid \$500,000 in the 2021 fiscal year for license fees to A3comm Solutions Corp. These fees are non-refunded and is a one-time transaction. The license fee gave Roadman access to the iCashrewards.io rewards platform through A3Com Solutions. A3Com is a Vancouver-based eCommerce and mobile rewards platform and software development company. A3Com has an exclusive license for the right to develop iCashRewards, a social eCommerce video marketing and rewards platform. iCashRewards is a leading provider of online and virtual reality shopping experience solutions, connecting merchants and consumers across the globe. iCashRewards is a web and mobile plug-in that gives online shoppers rewards in the form of cash back or USDT. iCashRewards welcomes global users to shop brand names like Microsoft, GoDaddy, Adidas, WIX, Shopify, Booking.com, Groupon, Shoppers Drug Mart, Indigo, illy, Saks Fifth Avenue, Bloomingdales, Ledger, KeepKey, Bitcoin OTC, iBOFi and over 150 brands through its portal [www.iCashRewards.io](http://www.iCashRewards.io). iCashRewards is reinventing marketing using blockchain technology for loyalty rewards and applying augmented reality (AR) and virtual reality (VR) short-form video marketing programs to be a disruptive force in the digital marketing space. This license agreement allowed Roadman to gain exposure to online loyalty rewards, cryptocurrency, Blockchain and NFT marketplaces.

## **RESULTS OF OPERATIONS** (continued)

The Company has been negatively affected by poor stock market performance, volatile commodity prices and weakened global economic performance. Due to an investment portfolio which is weighted in early-stage companies, quarter-to-quarter performance is affected by volatility in the stock markets. The amount and timing of expenses and availability of capital resources vary substantially quarter to quarter, depending on the level of investment activities being undertaken at the time.

The junior mining industry continues to struggle which weighed down on the Company's investments and for the year ended , the Company recorded an unrealized loss of \$223,074 (year ended June 30, 2022 – \$1,265,795) as a result of a change in fair value of its investments, net of realized gain and losses, respectively. Furthermore, during the year ended , the Company received gross proceeds of \$82,750 (year ended June 30, 2022 – \$581,761) from the sale of its marketable securities, and the Company recognized a loss of \$12,250 (year ended June 30, 2022 – gain of \$155,040) on the sale of these marketable securities. The Company continues to seek value-added investments within the Company's risk profile and build its client list.

## **LIQUIDITY AND CAPITAL RESOURCES**

During the three months ended September 30, 2022, the cash balance decreased to \$108,136 from \$111,680 as at June 30, 2022 and a working capital deficiency of \$850,246 as compared to a working capital deficiency of \$320,731 as at June 30, 2022. As at September 30, 2022, the Company had total assets of \$816,237.

The Company generates cash flows primarily from equity financings and from the disposition of its investments. 55% of the Company's investments are in common shares of companies traded on various stock exchanges (or quotation systems) in Canada, thereby offering potential sources of liquidity and cash flow for the Company.

If the Company identifies profitable investment opportunities, additional financings will be required for growth of the investment portfolio. The Company is currently looking to leverage its core expertise into the development of its mergers and acquisitions and financial advisory business. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

## CASH FLOWS USED IN OPERATIONS

During the three months ended, September 30, 2022, the Company's cash outflows to operation was \$85,294 (2022 - \$330,325).

## CASH FLOWS USED IN INVESTING ACTIVITIES

During the three months ended September 30, 2022, the Company has net cash inflows to investing activities of \$81,750 (2022 – outflows of \$257,883).

## CASH FLOWS FROM FINANCING ACTIVITIES

During the three months ended September 30, 2022, cash from financing activities of \$Nil (2022 - \$24,000).

## **LIQUIDITY AND CAPITAL RESOURCES** (continued)

### Going Concern

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and settle the outstanding loans payable on reasonable terms, and/or to commence profitable operations in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. Management, after reviewing the current cash position and having considered the Company's ability to raise funds in the short-term, has adopted the going concern basis in preparing its financial statements. The consolidated financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

## **CAPITAL MANAGEMENT**

The Company defines capital as all components of shareholders' equity. The Company's objectives when managing capital are:

- (a) To ensure that the Company maintains the level of capital necessary to meet its operational requirements;
- (b) To allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments;
- (c) To create sustained growth in shareholder value by increasing shareholders' equity and minimizing shareholder dilution; and
- (d) To maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to meet its objectives, by realizing proceeds from the disposition of its investments and raising funds through equity financings. There were no changes in the Company's approach to capital management during the period ended September 30, 2022. The Company is not subject to externally imposed capital requirements.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

## **PROPOSED TRANSACTIONS**

The Company does not have any off-balance sheet arrangements.

## RELATED PARTY TRANSACTIONS

The Company's related parties include corporate entities over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are recorded at the exchange amount of consideration established and agreed by the related parties. The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	September 30, 2022	June 30, 2022
	\$	\$
Consulting fees to the CEO	-	180,000
Total	-	180,000

In February 2019, the Company entered into a consulting agreement (the "Consulting Agreement") with the former CEO for remuneration of \$9,000 per month effective April 1, 2019. On June 15, 2020, the Consulting Agreement was amended by the Company and the amended remuneration was totalling \$15,000 per month.

As at September 30, 2022, the Company has amounts owing to former related parties totalling \$63,441 (June 30, 2022 - \$63,441). The amounts are unsecured, non-interest bearing and due on demand and included in accounts payable.

The Company's key management includes the CEO, CFO and directors. The total compensation earned by current and former key management for the period ended September 30, 2022, was \$Nil (June 30, 2022 - \$180,000).

As at September 30, 2022, the Company has amounts owing to certain officers for remuneration totalling \$145,203 (June 30, 2022 - \$145,203) included in accounts payable and accrued liabilities. The amounts payable is non-interest bearing, unsecured and due on demand.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are disclosed in Note 4 of the financial statements.

## FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows: other receivables and loan receivables as loans and receivables and measured at amortized cost; cash and investments are measured at fair value through profit or loss; and accounts payable and loan payables are classified as other financial liabilities and measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

### Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

**FINANCIAL INSTRUMENTS** (continued)

Fair Value (continued)

Financial instruments measured at fair value on the recurring basis are summarized in levels of fair value hierarchy as follows:

<b>September 30, 2022</b>	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Cash	108,136	-	-	108,136
Investments	372,027	310,000	2	682,029
<b>June 30, 2022</b>	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Cash	111,680	-	-	111,680
Investments	374,101	310,000	2	684,103

The following table presents the changes in recurring fair value measurements categorized at Level 2:

	Equity securities of private companies
June 30, 2021	168,446
Fair value adjustment	(190,446)
Securities purchased	332,000
June 30, 2022	310,000
Fair value adjustment	-
Securities purchased	-
September 30, 2022	\$310,000

Level 3 investments consist of equity instruments that cannot be supported by observable market data.

The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Risk Management

The Company's financial instruments and risk exposures are summarized below.

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk with respect to its cash are minimal as it is held with high-credit quality financial institutions. The Company's credit exposure to loan receivables from CICINO is equal to its carrying amount. The Company has reviewed the financial conditions of CICINO and maintained a provision of \$685,000 towards the loan as at September 30, 2022. The Company manages credit risk on its investments through thoughtful planning, strict investment selection criteria and significant due diligence of investment opportunities. Management and the Board of Directors review the financial condition of the investee companies regularly.

*Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's financial liabilities include accounts payable and accrued liabilities and loan payables.

The Company generates cash flows primarily from equity financings, management fees and from the disposition of its investments. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's investments focus on renewable energy, natural resources, chemicals, agriculture and consumer retail services. These investments can at times be relatively illiquid, and if the Company decides to dispose of certain securities, it may not be able to do so at favorable prices at that time, or at all.

**FINANCIAL INSTRUMENTS** (continued)

Risk Management (continued)

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. The Company is exposed to market risk through its investments in equity securities.

As at September 30, 2022, 55% (June 30, 2022 – 55%) of the investments were made up of investment in publicly-traded companies. If security market prices were higher or lower by 5% as at September 30, 2022, the carrying value of its investments and unrealized gains (losses) on investments would be increased or decreased by approximately \$19,000 (June 30, 2022 - \$19,000), respectively. The Company is exposed to foreign exchange rate and interest rate risks to the extent that cash is maintained at the financial institutions. The foreign exchange rate and interest rate risks on cash are not considered significant.

The Company manages market risk by developing a diversified portfolio of investments. The Company has established an investment committee to monitor its investment portfolio on an ongoing basis.

**SUBSEQUENT EVENTS**

On November 3, 2022, the Company completed a non-brokered private placement of 30,103,000 units at a price of \$0.035 per unit for gross proceeds of \$1,053,605. Each unit is comprised of one common share and one warrant, with each warrant exercisable at a price of \$0.05 and expire on November 3, 2025.

In connection with the private placement, the Company paid \$3,511 in cash finders' fees and issued 100,330 finders' warrants, which have an exercise price of \$0.05 and expire on November 3, 2025. Additionally, the Company issued 301,030 common shares as administrative fees to a third party who assisted with facilitating the transaction.

On November 22, 2022, the Company completed a non-brokered private placement of 50,300,000 units at a price of \$0.05 per unit for gross proceeds of \$2,515,000. Each unit is comprised of one common share and one warrant, with each warrant exercisable at a price of \$0.075 and expire on November 22, 2025.

In connection with the private placement, the Company paid \$123,200 in cash finders' fees and issued 2,464,000 finders' warrants, which have an exercise price of \$0.075 and expire on November 22, 2025. Additionally, the Company issued 503,000 common shares as administrative fees to a third party who assisted with facilitating the transaction.

Subsequent to the three months ended September 30, 2022, the Company received proceeds of \$416,004 pursuant to the exercise of 8,320,082 warrants.

**SUMMARY OF OUTSTANDING SHARE DATA**

The Company is authorized to issue unlimited number of common shares without par value and unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value issuable in series. The Company's issued and outstanding share capital at each date is as follows:

	<b>November 29, 2022</b>	<b>September 30, 2022</b>	<b>June 30, 2022</b>
Common shares	119,931,265	30,404,153	21,224,148
Stock options	50,000	50,000	50,000
Warrants	73,332,918	1,250,000	1,250,000
Agent Warrants	2,564,330	-	-
Fully diluted shares	195,878,513	31,704,153	22,524,148

Note: On January 24, 2022, the Company completed a share consolidation on the basis of one (1) post-consolidation common share for each ten (10) pre-consolidation common shares.

## **RISK AND UNCERTAINTIES**

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

### **Sector Specific Investment Risks**

The Company seeks a high return on investment opportunities on its mining and natural resource and block chain technology sectors ("Sectors"). Thus, the Company is exposed to investment risks relating to these Sectors which is generally more volatile than the overall market. Investing in these Sectors can be speculative in nature and the value of the Company's investments may be subject to significant fluctuations. Such businesses entail a degree of risk, regardless of the skill and experience of the corporation's management. The assets, earnings and share values of corporations involved in the cannabis pharmaceuticals, natural resource and block chain development, are subject to risks associated with the world prices of various cannabis related products, natural resource and cryptocurrencies, forces of nature, economic cycles, commodity prices, exchange rates, royalty and taxation changes and political events. Government restrictions, such as price regulations, production quotas, royalties and environmental protection, can also be factors.

### **Change in Law, Regulations and Guidelines**

The Company's Investment Partners are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of cannabis pharmaceuticals and cannabis pharmaceutical related products but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's investments in the cannabis pharmaceutical sector.

### **Jurisdictions Outside of Canada**

The Company intends to invest into early-stage mining and block chain related Companies with operations and business that may be outside of Canada's jurisdiction. There can be no assurance that any market for the Company's Investment Partners products will develop in any such foreign jurisdiction. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations and the effects of competition. These factors may limit the Company's capability to successfully invest in foreign cannabis pharmaceutical entities and may have a material adverse effect on the Company's business, financial condition and results of operations.

### **Political and Economic Instability**

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

## **RISK AND UNCERTAINTIES** (continued)

### Limited Operating History

The Company has limited operating history as an investment company, and has had limited success investing in exploration and evaluation assets and block chain technology. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets such as the blockchain market. There is no certainty that the Company will be able to operate profitably.

### Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful in developing a diversified and material portfolio of investments. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated investments.

### Key Personnel

The Company is dependent upon the continued availability and commitment of its management, whose contributions to immediate and future operations are of significant importance. The loss of any such management could negatively affect the Company's business operations. From time to time, the Company will also need to identify and retain additional skilled management to efficiently operate its business. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of its ability to attract and retain such personnel. If it is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Lack of Control or significant influence over Companies in which the Company Invests.

In certain cases, the Company invests or may invest in securities of companies that the Company does not control or influence. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

### Due Diligence

The due diligence process undertaken by the Company in connection with investments that it makes or wishes to make may not reveal all relevant facts in connection with an investment. Before making investments, the Company will conduct due diligence investigations that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence investigations, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence investigations and making an assessment regarding an investment, the Company will rely on resources available, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence investigations that are carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such investigation will not necessarily result in the investment being successful.

## **RISK AND UNCERTAINTIES** (continued)

### Fluctuations in the Value of the Company and the Common Shares

The net asset value of the Company and market value of its common shares will fluctuate with changes in the market value of the Company's investments. Such changes in value may occur as the result of various factors, including general economic and market conditions, the performance of corporations whose securities are part of the Company's investment portfolio and changes in interest rates which may affect the value of interest-bearing securities owned by the Company. There can be no assurance that shareholders will realize any gains from their investment in the Company and may lose their entire investment.

## **CONTINGENCIES**

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. Management believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on the financial condition of the Company.

- a. From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. Management believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on the financial condition of the Company.
- b. From time to time, the Company enters into contracts for services in the normal course of operations. The Company's current contractual commitments vary in terms and can be terminated upon sufficient notice.
- c. During the year ended June 30, 2021, the Company entered an agreement with A3Com Solutions Corp. for \$180,000 per annum for a five year term for providing maintaining e-commerce icashrewards.io and system upgrade. The amounts of \$36,000 are payable in common share (plus GST) to be issued in five installments.

During the year ended June 30, 2021, the Company also entered a license acquisition agreement (the "Agreement") with A3Com Solutions Corp. Pursuant to the terms of the Agreement, the Company paid a total of \$500,000 as a license fee. As at June 30, 2021, the Company was unable to meet certain obligations stated in the Agreement and has determined that the economic substance that are attributable to the Company is uncertain. Since the license agreement did not meet the criteria for capitalization under IAS 38, the amount was recognized as licensing expense through the statements of loss and comprehensive loss.

## **OTHER**

Additional information and other publicly filed documents relating to the Company, including its press releases and quarterly and annual reports, are available on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com).